UNITED STATES DISTRICT COURT	
SOUTHERN DISTRICT OF NEW YORK	<

GUY T. MITCHELL and ROYAL PALM SENIOR INVESTORS, LLC.

Plaintiffs.

-against-

CARBON CAPITAL II, INC.,

Defendant.

08 Civ. 4319 (JES)

AFFIDAVIT OF GUY T. MITCHELL IN RESPONSE TO DEFENDANT'S MOTION TO HOLD MITCHELL IN CONTEMPT

STATE OF FLORIDA)
) ss.:
COUNTY OF DADE)

GUY T. MITCHELL, being duly swom, deposes and says:

- 1. I am a plaintiff in this action, and I make this affidavit in response to the motion of defendant Carbon Capital II, Inc. ("Carbon Capital") to have me adjudged in contempt for violating the Court's standstill order. I have personal knowledge of the facts set forth herein.
- 2. Carbon Capital's motion is based on various transfers that have been made to the Mitchell Hotel Group LLC ("MHG") by the Royal Palm Hotel. The circumstances relating to those transfers are described below.
- 3. Before addressing those circumstances, however, I want to acknowledge to the Court that I exercised bad judgment, and did cause the Royal Palm Hotel to make various transfers to MIIG after the Court issued it standstill order in violation of that order. I apologize for that conduct, and acknowledge that I should not have made the transfers. In an attempt to

remedy that conduct, I have caused \$1,335,000, which represents the full amount of the transfers that were made on or after April 17, 2008, the date on which the Court orally issued its Order, to be transferred to a bank account maintained by the law firm representing the Receiver, Albert Rosenblatt.² As a result, the transfers made in disregard of the Order have been fully unwound, and restitution has been made.

Background of the Transfers to MHG

- 4. In early 2007, I assumed responsibility, as the manager of Royal Palm Manager LLC, to oversee the operations of the Royal Palm Hotel. I replaced the individual who was the manager of Royal Palm Manager LLC because of his poor performance in managing the Royal Palm Hotel and the need to become directly involved in order to protect the majority interest that my wife and I, as tenants in the entirety, ultimately held in the Royal Palm Hotel.
- 5. Subsequent to that time, throughout 2007, Naveen Ahuja and William Cygnor, the two individuals who were responsible for the day-to-day management of the Royal Palm Hotel, frequently requested that I make short-term loans to help address cash flow short falls that the Royal Palm Hotel was experiencing. Over the course of the last two years, I have made millions of dollars of such advances. I have never charged the hotel interest for these loans.

The schedule submitted by Carbon Capital as Exhibit E to the Affidavit of Isaac Greaney, sworn to June 13, 2008, does not distinguish when during the month of April transfers were made – it records all of them as having occurred on April 30, 2008. Hence, it overstates that amount of transfers made after the Court's Order. The detailed information regarding when those transfers were made is set forth below in paragraphs 13-15. The amount of my transfer is consistent with the total amounts shown on the accounting records of the Royal Palm Hotel as being transferred on or after April 17, 2008.

My counsel proposed that the funds be returned directly to the Royal Palm Hotel, but the Receiver wanted possession of those funds himself.

- 6. These loans were made directly by MHG, a company owned by my wife and me as tenants in the entirety. Because they were short term advances without any fixed term, as would be expected, there were no promissory notes. The loans, however, have always been reflected on the books and records of the Royal Palm Hotel, including the financial statements that were provided on a monthly basis to Carbon Capital, as William Cygnor testified at his deposition.³
- 7. As circumstances permitted, from time to time during 2007, the Royal Palm Hotel repaid those advances. Those repayments are also reflected in the books and records of the Royal Palm Hotel, as well as the financial statements sent to Carbon Capital. Cygnor Tr. at 112-115, 125.
- 8. As a consequence, the amount of the indebtedness due MHG varied over time. It increased and decreased based on whether I was asked to make a loan to the Royal Palm Hotel or whether the Royal Palm Hotel had the funds that enabled it to repay outstanding loans. This activity was a function of the Royal Palm Hotel's operating profit.
- 9. The variability in the amount of loans made to the Royal Palm Hotel is reflected in the balance sheets that were marked as Exhibit 27 to my deposition that occurred on June 10, 2008. A copy of that deposition exhibit is annexed hereto as Exhibit 2. Since November 2007, Carbon Capital has received copies of those balance sheets, starting with the October 2007 balance sheet. Cygnor Tr. at 125-126.
- 10. Beginning in February 2008, I began having the Royal Palm Hotel make transfers to MHG to repay the outstanding loans, which at that time totaled more than

Copies of the pertinent excerpts from Mr. Cygnor's June 10, 2008 deposition is annexed hereto as Exhibit 1.

\$4,000,000. Those transfers continued throughout March, April and May 2008. As I have acknowledged above, I should have stopped having those transfers made once this Court issued its standstill order on April 17, 2008, but I failed to do so.

Return of the Post-April 17 Transfers to the Royal Palm Hotel

- 11. Carbon Capital's contempt motion is based on the schedule that was purportedly prepared by Albert Rosenblatt, the Receiver appointed by the Supreme Court for the State of New York, New York County in the action entitled Hotel 71 Mezz Lender, LLC v. Falor, Index No. 601175/07. That schedule is annexed as Exhibit F to the Greaney Affidavit.
- 12. The schedule shows a series of transfers having been made to MHG on February 29, 2008, March 31, 2008, April 30, 2008 and May 15, 2008.
- Was, in fact, prepared by William Cygnor, the financial controller for the Royal Palm Hotel. See Cygnor Tr. at 104, 126. Mr. Cygnor prepared that schedule by taking information off the Royal Palm Hotel's general ledger. See id. at 126. The information regarding the amounts of the various transfers to MHG in the Spring of this year is accurate, but the "posting date" is misleading. That date reflects the date on which Mr. Cygnor posted a particular transfer to Royal Palm Hotel's general ledger, but it does not represent the date of the transfer. Id. at 126-127. Rather, the transfer date is reflected on the bank reconciliation schedule and bank statements that Mr. Cygnor maintained on a daily basis based on information that he received from the Royal

Prior to this action having been commenced, Carbon Capital was aware of the transfers to MHG. Neither I nor Royal Palm attempted to conceal the fact of the transfers. For instance, the Monthly Report for February 2007 that was sent to Carbon Capital shortly after the end of the month reflected a reduction in the MHG loan account in the Current Liabilities section. (The balance sheet excerpt from the February report is part of the deposition exhibit annexed hereto as Exhibit 2.)

Palm Hotel's banks. Id. at 127. Thus, Exhibit E to the Greaney Affidavit, in fact, does not show when the transfers occurred, and it is necessary to examine the bank records in order to determine those dates.

- April and May 2008. They did not all occur on April 30 and May 15, 2008, as Exhibit E to the Greaney Affidavit incorrectly implies. Attached hereto as Exhibit 3 is a schedule showing the amount of and the actual transfer date for each transfer for the period April 1, 2008 through May 31, 2008. That schedule is based on the bank statements for the Royal Palm Hotel, which Mr. Cygnor maintained in the ordinary course. See Cygnor Tr. at 114. True and correct copies of the pertinent pages from the records showing each of those transfers is annexed hereto as Exhibit 3.
- 15. As reflected on the schedule, only one of the April transfers to MHG was made after the Court's Order -- a transfer of \$130,000 occurred on April 18, 2008. All of the other April 2008 transfers occurred prior to that date. i.e., before this Court's Order. As reflected on the schedule annexed hereto as Exhibit 4, I caused \$1,335,000 to be transferred from the Royal Palm Hotel to MHG on or after April 17, 2008.
- 16. On June 30 2008, I caused a wire transfer in the amount of \$1,335,000 to be made to the bank account maintained by the firm of McCabe & Mack at HSBC Bank. That

Carbon Capital's contempt motion is based on the Stipulation and Order signed by this Court on April 24, 2008. As a result, Carbon Capital bases its motion on at all of the transfers that appear to have been made after the April 24 date. In responding to this motion and as a reflection of my attempt to make amends for my conduct, I have transferred back to the Royal Palm Hotel all funds that I caused to be transferred on or after April 17, 2008, the date on which the Court orally stated that a standstill should go into effect. As a result, I am also returning the funds that were transferred on April 18, 2008, even though the transfer occurred before the Court signed the stipulation.

bank account is purportedly in the control of the Receiver, who specifically directed that the transfer be made to that account in response to my counsel's question as to where those funds should be sent. Annexed hereto as Exhibit 5 is a confirmation of that wire transfer having been

made.

By: Dong Milchell
GUY T. MITCHELL

Exhibit 1

```
Page 1
 1
                UNITED STATES DISTRICT COURT
               SOUTHERN DISTRICT OF NEW YORK
 5
     GUY T. MITCHELL,
                                     ) 08 Civ. 4319 (JES)
                     Plaintiff,
 7
                 vs.
 8
     CARBON CAPITAL II, INC.,
 9
                     Defendant.
10
11
12
13
14
15
16
       VIDEOTAPED DEPOSITION OF WILLIAM JOHN CYGNOR
17
                      New York, New York
18
                   Monday, June 16, 2008
19
20
21
22
23
     Reported by:
24
     KRISTIN KOCH, RPR, RMR, CRR, CLR
25
     JOB NO. 17259
```

Page 2	Page 3
1	
2	1 2 APPEARANCES:
3	3
4	4
5 June 16, 2008	5 ARNOLD & PORTER LLP
6 2:02 p.m.	6 Attorneys for Plaintiff
7	7 399 Park Avenue
8	8 New York, New York 10022-4690
9 Videotaped Deposition of WILLIAM	9 BY: H. PETER HAVELES, JR., ESQ.
JOHN CYGNOR, held at the offices of Sidley	10
11 Austin LLP, 1251 Avenue of the Americas, 12 New York, New York, before Kristin Koch, a	11
12 New York, New York, before Kristin Koch, a 13 Registered Professional Reporter,	12 SIDLEY AUSTIN LLP 13 Attorneys for Defendant
14 Registered Merit Reporter, Certified	13 Attorneys for Defendant 14 1251 Avenue of the Americas
15 Realtime Reporter, Certified Livenote	15 New York, New York 10020
16 Reporter and Notary Public of the State of	16 BY: NICHOLAS P. CROWELL, ESQ.
17 New York.	17 JEREMY FISCHBACH, Summer Associate
18	18
19	19
20	20
21	21
22	22
24	23 24
25	25
TSG Reporting - Worldwide 877-702-9580	TSG Reporting - Worldwide 877-702-9580
Page 4	Page 5
1	1
2 APPEARANCES: (Continued)	2 THE VIDEOGRAPHER: This is the start
3	3 of tape number 1 of the videotaped
5 McCABE & MACK LLP	4 deposition of William Cygnor in the matter 5 Mitchell versus Carbon Capital.
6 Attorneys for Royal Palm Senior	5 Mitchell versus Carbon Capital,6 Incorporated.
7 Investors LLC and Royal Palm Senior	7 Today's date is June 16th, 2008 at
8 Management	8 approximately 2:02 p.m.
9 63 Washington Street	9 Will the court reporter please swear
Post Office Box 509	10 in the witness.
Para Para Para Para Para Para Para Para	11 WILLIAM JOHN CYGNOR,
12 BY: PHILLIP SHATZ, ESQ. 13	called as a witness, having been duly sworn
14	13 by a Notary Public, was examined and 14 testified as follows:
15	14 testified as follows: 15 MR. SHATZ: I'd like to make one
16 ALSO PRESENT:	16 statement for the record just before we
17	17 start here. I want to make it clear that
18 JOSH LIPSON, Legal Video Specialist	18 McCabe & Mack appears here solely as
19	19 representing Royal Palm Senior Associates,
20	having been retained by the Receiver to do
21 22	so, and we are here to protect the
23	 interests of Royal Palm Senior Associates, Inc LLC only.
24	23 Inc LLC only. 24 MR. CROWELL: Just for the record.
25	25 do you mean Royal Palm Senior Investors?
TSG Reporting - Worldwide 877-702-9580	TSG Reporting - Worldwide 877-702-9580
<u> </u>	" "

	Page 410		
	Page 110		Page 111
1	Cygnor	1	Cygnor
2	A. I was asked for information for a	2	respect to the Hyatt?
3	due diligence portion.	3	A. I conducted a couple tours for Hyatt
4	Q. Who asked you for that information?	4	personnel, the IT manager, to show our computer
5	A. Naveen Ahuja.	5	systems, our back office systems, office
6	Q. Did you speak to anyone at Hyatt?	6	layouts. I also met with the regional vice
7	A. At Hyatt, no.	7	president of finance and a controller from
8 9	Q. What did you provide to Mr. Ahuja?	8	another local Hyatt in Miami and gave them
10	A. A lot of stuff. We provided hotel operating contracts, leases, forecasts, lien	9 10	tours of the hotel, office layout, and they met
11	notices, lien releases. Varied information	11	with certain employees of the finance area. Q. Other than what you have testified
12	that Naveen or the attorney for the hotel asked	12	to, is there any other information you have
13	of me.	13	regarding the Hyatt and the Royal Palm Hotel?
14	Q. Do you know whether the Hyatt deal	14	A. No.
15	was ever consummated, sir?	15	MR. CROWELL: I'd like to mark as
16	MR. HAVELES: Objection to form.	16	Cygnor Exhibit 5 a document entitled Royal
17	Calls for a legal conclusion.	17	Palm Hotel Monthly Report, Period Ending
18	A. I do not.	18	March 2008.
19	Q. Do you have any knowledge about the	19	(Cygnor Exhibit 5, Royal Palm Hotel
20	status, the current status of the Hyatt deal,	20	Monthly Report, Period Ending March 2008,
21	if there is any?	21	Bates stamped RP 1382 through RP 1426,
22	A. I don't.	22	marked for identification.)
23	Q. Other than providing the due	23	Q. Take a look at the document, sir. I
24	diligence or information that you listed, did	24	am just going to ask you if you are familiar
25	you have any other involvement whatsoever with	1	with it.
Т	SG Reporting - Worldwide 877-702-9580	T	SG Reporting - Worldwide 877-702-9580
	Page 112		Page 113
1	Cygnor	1	Cygnor
2	(Document review.)	2	Exhibit 5?
3	A. Yes, I am.	3	A. They would be reflected on, let me
4	Q. What is this document?	4	see, RP 001419 and RP 001420.
5	A. It's the Royal Palm Hotel monthly	5	Q. Where on RP 001419 are the payments
6	report.	6	reflected?
7 8	Q. Who prepared it? A. I did.	7	A. It would be a reduction from account
9	· · · · · · · · · · · · · · · · · · ·	8 9	1055 and it would be a debit to on page
10	Q. Why did you prepare it? A. Because it was the month end report,	10	001420, account 2009.
11	so we needed to prepare once we finish the		Q. Other than seeing other than RP 1419 and RP 1420, which you referred to, is
	month end, we prepare a report. It goes to	12	there anything else in this document which
13	Naveen and it goes to now it goes to Black	13	reflects that these payments were made?
14	Rock or Carbon Capital.	14	A. No.
15	Q. But this was something you prepared	15	Q. Is there any other document that you
16	in the ordinary course of business; is that	16	are aware of that reflects that these payments
17	correct?	17	were made?
18	A. Every month, yes.	18	A. The my bank reconciliation sheet.
19	Q. If you would, sir, can you tell me	19	
20	where in this March 2008 take a look	20	Where is 1419, where is 1420?
21	strike that.	21	MR. HAVELES: Look at the numbers
22	Take a look at Mitchell Exhibit 28.	22	down at the very right-hand corner.
23	Keep that in front of you. Can you tell me	23	MR. SHATZ: Oh, okay. Sorry. Got
24	where, if at all, these transfers to Mitchell	24	it.
	Hotel Group are reflected in this in Cygnor	25	Q. So if someone was reviewing this
$\mathbf{I}^{\mathrm{T}_{i}}$	SG Reporting - Worldwide 877-702-9580	T;	SG Reporting - Worldwide 877-702-9580

	Page 114		Page 115
1	Cygnor	1	Cygnor
2	document, they would have to compare this	2	A. It's on the computer system which
3	document to a balance sheet from the prior	3	could be a printed document.
4	month to learn that this account reflected as	4	Q. But the general ledger detail is not
5 6	2009 had been reduced to learn that these	5	contained within Cygnor Exhibit 5; correct?
7	payments were made; correct? A. Yes. That's for all accounts.	6 7	A. That's correct.
8	Q. Okay. And there is no other ledger	8	Q. Okay. Is there anywhere in Cygnor Exhibit 5 that the actually, can you point
9	that shows payments being made anywhere?	9	me to somewhere in Cygnor Exhibit 5 which shows
10	A. Not in this report, no.	10	the operating balance or profits of the hotel
11	Q. In any report that you know of was		for the month of March 2008.
12	there any strike that.	12	A. RP 001393.
13	You mentioned a bank reconciliation	13	Q. Okay.
14	sheet. What is that?	14	A. If you look under the first column,
15	A. That's the reconciliation sheet that	15	it says "actual."
16	I do on a daily basis to make sure the bank	16	Q. Yes.
17	funds are in balance.	17	A. That's the monthly month end for the
18	Q. Are there any other reports that	18	month of March. If you go down, it says
19	reflect the payments that are identified in	19	The state of the s
20	Mitchell Exhibit 28 being made?	20	\$2.1 million.
21	A. The general ledger detail would.	21	Q. Okay. So that's the gross operating
22	Q. And where is that? Is that on the	22	profit at the end of March?
23	computer system?	23	A. Correct. For the operation. Then
24	A. Yes.	24	you have your taxes, your interest accrual. So
25	Q. Is that a printed document?		the hotel net was 1 million 73.
T	SG Reporting - Worldwide 877-702-9580	1.	SG Reporting - Worldwide 877-702-9580
	Page 116		Page 117
1	Cygnor	1	Cygnor
2	MR. SHATZ: What page did you say	2	those taxes, and in April of 2008 Wachovia took
3	that was?	3	the funds available and paid the property taxes
4	MR. HAVELES: 1393.	4	on the hotel.
5 6	THE WITNESS: It's 1393.	5	Q. Did you direct Wachovia to make
7	Q. Okay. Do you know how the property taxes on the hotel were paid, sir?	6 7	those payments?
8	A. Yes, I do.	8	A. I did not. It's part of the loan agreement with Wachovia.
9	Q. Can you explain that.	9	MR. CROWELL: All right. Can we
10	A. They were paid by Wachovia through	10	take a break. If you give me just a few
11	the reserve accounts.	11	more minutes I may be close to done, but I
12	Q. Were the reserve accounts always	12	just need to look through my notes and then
13	strike that.	13	we can get you out of here.
14	Did the reserve accounts, to your	14	THE WITNESS: Sure.
1 =	knowledge, always have enough funds to pay the	15	MR. CROWELL: Okay.
15			
16	property taxes that were due?	16	THE VIDEOGRAPHER: The time is 4:29.
16 17	property taxes that were due? A. Yes.	17	We are going off the record.
16 17 18	property taxes that were due? A. Yes. Q. At all times?	17 18	We are going off the record. (Recess was taken from 4:29 to
16 17 18 19	property taxes that were due? A. Yes. Q. At all times? A. At all times, no.	17 18 19	We are going off the record. (Recess was taken from 4:29 to 4:41.)
16 17 18 19 20	property taxes that were due? A. Yes. Q. At all times? A. At all times, no. Q. When did that not when was that	17 18 19 20	We are going off the record. (Recess was taken from 4:29 to 4:41.) THE VIDEOGRAPHER: The time is 4:41.
16 17 18 19 20 21	Property taxes that were due? A. Yes. Q. At all times? A. At all times, no. Q. When did that not when was that not true?	17 18 19 20 21	We are going off the record. (Recess was taken from 4:29 to 4:41.) THE VIDEOGRAPHER: The time is 4:41. We are back on the record.
16 17 18 19 20 21 22	property taxes that were due? A. Yes. Q. At all times? A. At all times, no. Q. When did that not when was that not true? A. Actually, I would like to change my	17 18 19 20 21 22	We are going off the record. (Recess was taken from 4:29 to 4:41.) THE VIDEOGRAPHER: The time is 4:41. We are back on the record. MR. CROWELL: I have no further
16 17 18 19 20 21 22 23	A. Yes. Q. At all times? A. At all times, no. Q. When did that not when was that not true? A. Actually, I would like to change my answer. At all times for the taxes due by May	17 18 19 20 21 22 23	We are going off the record. (Recess was taken from 4:29 to 4:41.) THE VIDEOGRAPHER: The time is 4:41. We are back on the record. MR. CROWELL: I have no further questions. Thank you, Mr. Cygnor.
16 17 18 19 20 21 22 23 24	property taxes that were due? A. Yes. Q. At all times? A. At all times, no. Q. When did that not when was that not true? A. Actually, I would like to change my answer. At all times for the taxes due by May 30th of 2008 there were enough funds in the	17 18 19 20 21 22 23 24	We are going off the record. (Recess was taken from 4:29 to 4:41.) THE VIDEOGRAPHER: The time is 4:41. We are back on the record. MR. CROWELL: I have no further questions. Thank you, Mr. Cygnor. THE WITNESS: Okay.
16 17 18 19 20 21 22 23 24 25	A. Yes. Q. At all times? A. At all times, no. Q. When did that not when was that not true? A. Actually, I would like to change my answer. At all times for the taxes due by May	17 18 19 20 21 22 23 24 25	We are going off the record. (Recess was taken from 4:29 to 4:41.) THE VIDEOGRAPHER: The time is 4:41. We are back on the record. MR. CROWELL: I have no further questions. Thank you, Mr. Cygnor.

Page 122 Page 123 Cygnor 1 Cygnor sample of which has been marked as Exhibit 5, 2 Q. Did that occur when you were in 3 to Carbon Capital? 3 New York meeting with counsel to prepare for 4 A. Yes. what would have been the first hearing in this 5 O. And the detailed accounts payable case? б information was over and above the monthly 6 A. Yes. 7 report? 7 O. So is that the meeting that -- at 8 A. Yes. the end of April, beginning of May? 9 Q. When did you start sending the 9 10 monthly report to Carbon Capital? 10 Q. And prior to that time you never had 11 A. September or October of '07. any knowledge about Royal Palm Senior Investors 11 12 Q. And after you sent the monthly 12 being the borrower under the mezzanine debt? 13 report to Carbon Capital, other than a 13 A. No, I was not aware of that. breakdown of the detail for accounts payable, 14 Q. And the Receiver became responsible 15 did Carbon Capital ever ask you to provide any 15 for the operation of the hotel on May 7th; 16 other detailed reports with respect to the 16 correct? 17 information that was displayed in the monthly 17 A. That's correct. 18 report that you gave them starting in September 18 Q. You indicated that -- Mr. Crowell or October? 19 19 asked you questions about transfers that were 20 A. No. made by Mr. Mitchell during 2007 to Wachovia. 21 Q. You said you learned about the 21 Do you remember that? mezzanine loan not being a loan to the hotel in A. Yes. 22 23 connection with looking for papers in this 23 Q. Was Wachovia the only account to 24 case. Do you remember that? which Mr. Mitchell or Mitchell Hotel Group made A. Yes. 25 transfers when there was a need for additional TSG Reporting - Worldwide 877-702-9580 TSG Reporting - Worldwide 877~702-9580 Page 124 Page 125 Cygnor Cygnor 2 cash by the hotel? 2 get -- the money would then be transferred 3 A. No, there were also transfers to the sometimes to the operating account, sometimes 4 hotel operating account. to Wachovia, sometimes directly to the tax 4 5 Q. Did Mr. Mitchell -- did anyone --5 entity. 6 withdraw that. 6 Q. And every time there was such a 7 7 Did anyone ever request Mr. Mitchell 8 to make transfers before he made those 8 Holding Group -- Mitchell Hotel Group or 9 transfers either to Wachovia or Regions? 9 Mr. Mitchell --10 A. We -- someone would have to request A. Yes. 10 11 that, yes. 11

12 Q. And did you ever make any requests 13 directly to Mr. Mitchell between 2007 and April 14 A. Indirectly through Naveen or 15 16 Wachovia. 17 Q. Okay. And when you had 18 conversations with Naveen, what was the nature 19 of the conversations you had with Mr. Naveen 20 Ahuja about the need for additional cash? 21 A. That we would be short for a payroll 22 coming up or our sales taxes were past due, we 23 need to make the payment, and I would give him 24 the amount that was needed to fund. He would

25 then e-mail or call Guy and then we would TSG Reporting - Worldwide 877-702-9580

transfer, you booked it as a loan by Mitchell Q. -- prior to making the change in the 12 label of the account? 13 Yes, I would. 14 Q. And when there were transfers back to Mr. Mitchell, when Mr. Mitchell made transfers back to him, what was the accounting 17 effect of those transfers? 18 We would reduce the cash in the bank 19 and then we would reduce the loan due to 20 Mitchell Hotel Group. 21 O. After you started sending the 22 monthly reports to Carbon Capital in September 23 or October of 2007, did anyone from Carbon 24 Capital ever ask you about the Mitchell Hotel Group line item in the liability section of the TSG Reporting - Worldwide 877-702-9580

		·	<u> </u>
l	Page 126		Page 127
1	Cygnor	1	Cygnor
2	balance sheet?	2	A. On this sheet it does not.
3	A. No.	3	Q. Okay. And what document or report
4	Q. I ask you to take a look at the	4	would you look at to see the date of the actual
5	document that was marked as Cygnor Exhibit	5	transfer?
6	I'm sorry, not Cygnor Exhibit. It was a	6	A. I would have my bank reconciliation
7	Mitchell Exhibit that you were shown. It was	7	report that I keep.
8.	Mitchell Exhibit 28, which is the one-page	8	Q. So looking at Exhibit 28 with
9	spread sheet dated June 4, 2008 that you said	9	respect to all the transfers shown on April 30,
10	you had prepared.	10	that does not mean that those transfers, in
11	A. Yes.	11	fact, all occurred on April 30, does it?
12	Q. Do you have that in front of you?	12	A. That's correct, yeah, it doesn't
13	A. Yes.	13	reflect the date of the transfer.
14	Q. What is the posting date shown on	14	Q. You would have to look at the bank
15	that?	15	reconciliation report to see the date of the
16	A. That's the date that I do my bank	16	actual transfers?
17	entries into the system.	17	A. Yes.
18	Q. When you say "into the system," what	18	Q. Could you look at Cygnor Exhibit 4,
19	system are you referring to?	19	which is the stipulation and order that
20	A. Sun Systems, the hotel accounting	20	Mr. Crowell showed you.
21	system.	21	A. Yes.
22	Q. The general ledger?	22	Q. Do you remember in connection with
23	A. Yes, the general ledger.	23	looking at that Mr. Crowell asked you some
24	Q. Does the posting date reflect the	24	questions about the expenditure report that you
	date of the actual transfer?	25	prepared on a daily basis and sent to
T	SG Reporting - Worldwide 877-702-9580	Т	SG Reporting - Worldwide 877-702-9580
	Page 128		Page 129
1	Cygnor	1	Cygnor
2	Mr. Francis?	1	transition and so they were in the hotel to
3	A. Yes.	3	look at they met with accounting staff, they
4	Q. Did any did Mr. Mitchell ever ask	4	had tours of the hotel, office space, and they
5	you to exclude the transfers from that report		
	V	5	asked for some information which I wasn't able
6	that you prepared?	5 6	asked for some information which I wasn't able to provide at that time.
6 7	that you prepared? A. He did not.	5 6 7	to provide at that time.
		6	to provide at that time. Q. Did any of them — of the people
7	A. He did not. Q. You made who made the decision	6 7	to provide at that time.
7 8	A. He did not. Q. You made who made the decision not to include them on that report?	6 7 8	to provide at that time. Q. Did any of them — of the people with whom you met take up residence in the hotel?
7 8 9	A. He did not. Q. You made who made the decision	6 7 8 9	to provide at that time. Q. Did any of them — of the people with whom you met take up residence in the hotel? A. They were — yes, there was a group
7 8 9 10	A. He did not. Q. You made who made the decision not to include them on that report? A. It was my error not to not to	6 7 8 9 10	to provide at that time. Q. Did any of them — of the people with whom you met take up residence in the hotel? A. They were — yes, there was a group in the hotel staying.
7 8 9 10 11	A. He did not. Q. You made who made the decision not to include them on that report? A. It was my error not to not to include them.	6 7 8 9 10	to provide at that time. Q. Did any of them of the people with whom you met take up residence in the hotel? A. They were yes, there was a group in the hotel staying. Q. Okay. And was the regional manager
7 8 9 10 11 12	A. He did not. Q. You made who made the decision not to include them on that report? A. It was my error not to not to include them. Q. You had indicated you had some	6 7 8 9 10 11 12	to provide at that time. Q. Did any of them of the people with whom you met take up residence in the hotel? A. They were yes, there was a group in the hotel staying. Q. Okay. And was the regional manager with whom you were meeting one of the
7 8 9 10 11 12 13	 A. He did not. Q. You made who made the decision not to include them on that report? A. It was my error not to not to include them. Q. You had indicated you had some meetings with senior people at Hyatt when 	6 7 8 9 10 11 12 13	to provide at that time. Q. Did any of them of the people with whom you met take up residence in the hotel? A. They were yes, there was a group in the hotel staying. Q. Okay. And was the regional manager
7 8 9 10 11 12 13 14	A. He did not. Q. You made who made the decision not to include them on that report? A. It was my error not to not to include them. Q. You had indicated you had some meetings with senior people at Hyatt when Mr. Crowell was asking you about the Hyatt	6 7 8 9 10 11 12 13	to provide at that time. Q. Did any of them — of the people with whom you met take up residence in the hotel? A. They were — yes, there was a group in the hotel staying. Q. Okay. And was the regional manager with whom you were meeting one of the individuals who took up residence — A. Yes.
7 8 9 10 11 12 13 14 15	A. He did not. Q. You made who made the decision not to include them on that report? A. It was my error not to not to include them. Q. You had indicated you had some meetings with senior people at Hyatt when Mr. Crowell was asking you about the Hyatt transaction. Do you recall that?	6 7 8 9 10 11 12 13 14 15	to provide at that time. Q. Did any of them — of the people with whom you met take up residence in the hotel? A. They were — yes, there was a group in the hotel staying. Q. Okay. And was the regional manager with whom you were meeting one of the individuals who took up residence — A. Yes.
7 8 9 10 11 12 13 14 15	A. He did not. Q. You made who made the decision not to include them on that report? A. It was my error not to not to include them. Q. You had indicated you had some meetings with senior people at Hyatt when Mr. Crowell was asking you about the Hyatt transaction. Do you recall that? A. Yes.	6 7 8 9 10 11 12 13 14 15 16	to provide at that time. Q. Did any of them — of the people with whom you met take up residence in the hotel? A. They were — yes, there was a group in the hotel staying. Q. Okay. And was the regional manager with whom you were meeting one of the individuals who took up residence — A. Yes. Q. — at the Royal Palm Hotel?
7 8 9 10 11 12 13 14 15 16	A. He did not. Q. You made who made the decision not to include them on that report? A. It was my error not to not to include them. Q. You had indicated you had some meetings with senior people at Hyatt when Mr. Crowell was asking you about the Hyatt transaction. Do you recall that? A. Yes. Q. You made reference to a regional manager and a couple of other people? A. Correct.	6 7 8 9 10 11 12 13 14 15 16 17	to provide at that time. Q. Did any of them — of the people with whom you met take up residence in the hotel? A. They were — yes, there was a group in the hotel staying. Q. Okay. And was the regional manager with whom you were meeting one of the individuals who took up residence — A. Yes. Q. — at the Royal Palm Hotel? A. Yes.
7 8 9 10 11 12 13 14 15 16 17	A. He did not. Q. You made who made the decision not to include them on that report? A. It was my error not to not to include them. Q. You had indicated you had some meetings with senior people at Hyatt when Mr. Crowell was asking you about the Hyatt transaction. Do you recall that? A. Yes. Q. You made reference to a regional manager and a couple of other people?	6 7 8 9 10 12 13 14 15 16 17 18	to provide at that time. Q. Did any of them — of the people with whom you met take up residence in the hotel? A. They were — yes, there was a group in the hotel staying. Q. Okay. And was the regional manager with whom you were meeting one of the individuals who took up residence — A. Yes. Q. — at the Royal Palm Hotel? A. Yes. Q. Was this at the end of January 2008?
7 8 9 10 11 12 13 14 15 16 17 18	A. He did not. Q. You made who made the decision not to include them on that report? A. It was my error not to not to include them. Q. You had indicated you had some meetings with senior people at Hyatt when Mr. Crowell was asking you about the Hyatt transaction. Do you recall that? A. Yes. Q. You made reference to a regional manager and a couple of other people? A. Correct.	6 7 8 9 10 12 13 14 15 16 17 18 19	to provide at that time. Q. Did any of them — of the people with whom you met take up residence in the hotel? A. They were — yes, there was a group in the hotel staying. Q. Okay. And was the regional manager with whom you were meeting one of the individuals who took up residence — A. Yes. Q. — at the Royal Palm Hotel? A. Yes. Q. Was this at the end of January 2008? A. Yes, it was. Q. The last set of questions
7 8 9 10 11 12 13 14 15 16 17 18 19 20	A. He did not. Q. You made who made the decision not to include them on that report? A. It was my error not to not to include them. Q. You had indicated you had some meetings with senior people at Hyatt when Mr. Crowell was asking you about the Hyatt transaction. Do you recall that? A. Yes. Q. You made reference to a regional manager and a couple of other people? A. Correct. Q. Were they what were the circumstances where you met under which you met with those people?	6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	to provide at that time. Q. Did any of them — of the people with whom you met take up residence in the hotel? A. They were — yes, there was a group in the hotel staying. Q. Okay. And was the regional manager with whom you were meeting one of the individuals who took up residence — A. Yes. Q. — at the Royal Palm Hotel? A. Yes. Q. Was this at the end of January 2008? A. Yes, it was.
7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	A. He did not. Q. You made who made the decision not to include them on that report? A. It was my error not to not to include them. Q. You had indicated you had some meetings with senior people at Hyatt when Mr. Crowell was asking you about the Hyatt transaction. Do you recall that? A. Yes. Q. You made reference to a regional manager and a couple of other people? A. Correct. Q. Were they what were the circumstances where you met under which you	6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	to provide at that time. Q. Did any of them — of the people with whom you met take up residence in the hotel? A. They were — yes, there was a group in the hotel staying. Q. Okay. And was the regional manager with whom you were meeting one of the individuals who took up residence — A. Yes. Q. — at the Royal Palm Hotel? A. Yes. Q. Was this at the end of January 2008? A. Yes, it was. Q. The last set of questions Mr. Crowell asked you about were documents that reflected the transfers made by Mr. Mitchell
7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	A. He did not. Q. You made who made the decision not to include them on that report? A. It was my error not to not to include them. Q. You had indicated you had some meetings with senior people at Hyatt when Mr. Crowell was asking you about the Hyatt transaction. Do you recall that? A. Yes. Q. You made reference to a regional manager and a couple of other people? A. Correct. Q. Were they what were the circumstances where you met under which you met with those people?	6 7 8 9 10 11 12 13 14 15 16 17 18 20 21 22	to provide at that time. Q. Did any of them — of the people with whom you met take up residence in the hotel? A. They were — yes, there was a group in the hotel staying. Q. Okay. And was the regional manager with whom you were meeting one of the individuals who took up residence — A. Yes. Q. — at the Royal Palm Hotel? A. Yes. Q. Was this at the end of January 2008? A. Yes, it was. Q. The last set of questions Mr. Crowell asked you about were documents that
7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	A. He did not. Q. You made who made the decision not to include them on that report? A. It was my error not to not to include them. Q. You had indicated you had some meetings with senior people at Hyatt when Mr. Crowell was asking you about the Hyatt transaction. Do you recall that? A. Yes. Q. You made reference to a regional manager and a couple of other people? A. Correct. Q. Were they what were the circumstances where you met under which you met with those people? A. It was due to the fact that Hyatt	6 7 8 9 10 11 12 13 14 15 16 17 18 20 21 22 23	to provide at that time. Q. Did any of them of the people with whom you met take up residence in the hotel? A. They were yes, there was a group in the hotel staying. Q. Okay. And was the regional manager with whom you were meeting one of the individuals who took up residence A. Yes. Q at the Royal Palm Hotel? A. Yes. Q. Was this at the end of January 2008? A. Yes, it was. Q. The last set of questions Mr. Crowell asked you about were documents that reflected the transfers made by Mr. Mitchell and you alluded to the bank reconciliation
7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25	A. He did not. Q. You made who made the decision not to include them on that report? A. It was my error not to not to include them. Q. You had indicated you had some meetings with senior people at Hyatt when Mr. Crowell was asking you about the Hyatt transaction. Do you recall that? A. Yes. Q. You made reference to a regional manager and a couple of other people? A. Correct. Q. Were they what were the circumstances where you met under which you met with those people? A. It was due to the fact that Hyatt the takeover date was coming up for Hyatt	6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25	to provide at that time. Q. Did any of them — of the people with whom you met take up residence in the hotel? A. They were — yes, there was a group in the hotel staying. Q. Okay. And was the regional manager with whom you were meeting one of the individuals who took up residence — A. Yes. Q. — at the Royal Palm Hotel? A. Yes. Q. Was this at the end of January 2008? A. Yes, it was. Q. The last set of questions Mr. Crowell asked you about were documents that reflected the transfers made by Mr. Mitchell and you alluded to the bank reconciliation sheet and the general ledger detail. Do you

<u> </u>	Page 130		Page 131
		_	_
1 2	Cygnor A. Yes.	1 2	Cygnor
3	A. Yes. Q. When you say "general ledger	3	owners of the accounts changed. Q. And was Mr. Mitchell a signer on the
4	detail," what does that refer to?	4	account prior to that date?
5	A. That's every transaction posted to	5	A. Yes, he was.
6	an account on a monthly basis.	6	Q. Did he remain a signer afterwards?
7	Q. So is that in accounting language	7	A. To my knowledge, he is not.
8	the journal detail about any time there is a	8	Q. And, similarly, you were a signer on
9	transaction showing the debit and credit?	9	the accounts prior to that date?
10	A. Yes.	10	A. Yes, I was.
11	MR. HAVELES: I have no further	11	Q. And did you remain a signer
12 13	questions of the witness at this time. EXAMINATION BY	12 13	afterwards? A. I did not.
14	MR. SHATZ:	14	Q. And has the Receiver put in a
15	Q. Do you recall on or about May 19th	15	procedure where there is oversight of the
16	when Receiver Rosenblatt and I came down to the	16	finances of the hotel?
17	hotel?	17	A. Yes.
18	A. Yes.	18	Q. And is that in operation and
19	Q. And as a result of our coming to the	19	effective?
20	hotel, were certain changes made with regard to	20	A. It is in operation and it is
21	the banking procedures of the hotel?	21	effective.
22	A. Yes.	22	Q. Okay. Last question. You will
23	Q. And what were they?	23	recall that when I asked you to produce the
24	A. All of the bank accounts were put into the signers in all the bank account	24 25	report which is labeled Mitchell Exhibit 28 A. Yes.
	SG Reporting - Worldwide 877-702-9580	_	A. 168. SG Reporting - Worldwide 877-702-9580
			Conceptibility Hollands 577,702,300
	Page 132		Page 133
1	Cygnor	1	Cygnor
2	Q. And do you recall a conversation we	2	reconciliation in this case to anybody?
4	had when you sent me certain slips showing the actual transfers to Mitchell which were labeled	3 4	A. I have not. RQ MR. CROWELL: I call for production
5	Mitchell Hotel Group?	5	of that document. I'm not sure why we don't
6	A. Correct.	6	have it.
7	Q. And do you recall that you indicated	7	MR. SHATZ: I will instruct the
8	to me that there was an error on those three	8	witness on behalf of the Receiver to
9	that you did as a sample for me?	9	produce those documents.
10	A. No.	10	MR. HAVELES: I have already asked
11	Q. Do you recall that actually the	11	Mr. Cygnor as well. He said he was going
12 13	transfers went not to Mitchell Hotel Group, but to Mr. Mitchell's personal account?	12 13	to be able to get make arrangements to have it tomorrow. I don't think it was
14	A. No. No.	14	responsive to any of the document requests
15	MR. SHATZ: All right.	15	that were propounded back in the document
16	MR. CROWELL: I have some follow-up	16	requests I instituted in April, but, you
17	from Mr. Haveles' questions.	17	know
18	FURTHER EXAMINATION BY	18	MR. CROWELL: I disagree with that,
19	MR. CROWELL:	19	but that's fine. As long as we can have it
20	Q. Referring to Mitchell Exhibit 28,	20	have it tomorrow. I don't think it was responsive to any of the document requests that were propounded back in the document requests I instituted in April, but, you know MR. CROWELL: I disagree with that, but that's fine. As long as we can have it by tomorrow, I have no problem with that. MR. HAVELES: I expect that we will have it probably early afternoon. MR. CROWELL: Okay. BY MR. CROWELL:
21	what are the dates do you know what dates	21	MR. HAVELES: I expect that we will
22	these transfers were actually made on?	22	have it probably early afternoon.
23	A. They are various dates. Off the top	23	MR. CROWELL: Okay.
24 25	of my head, I do not.	24 25	
	Q. Have you produced a copy of the bank SG Reporting - Worldwide 877-702-9580		Q. You said in response to one of SG Reporting - Worldwide 877-702-9580
1.	DO ROPOTETING HOLLOWING 0/1-/02-3500		of reporting normance of / /oz 3300

Exhibit 2

			The same of the sa
			The second secon
	Royal Pa	im Hotel	
	Balance SI	2004 A	The second secon
	:		
	Janua	rv-07	
Assets			The second secon
	7.1	and the second of the second	to the second se
	and the second of the second o		,
Current Assets			
	/_////	and the second second second	
	and the same are a sure of the same of		· ·
1000	House Banks	#=.#	The state of the s
1003		55,000.00	
1004	Citi 725 Lock Box	236,436.93	*
	Citi 738 Operating	(553,328.46)	•
1005	Citi 770 CAPEX	(529,928.13)	
::1006	Wachovia Lock Box		
1007	Tax Escrow Account	469,709.66	
1009		34,965.67	
	A/P Disbursement Account	30,000.00	The second secon
1010	Condo Deposit	140,000.00	
11 1011 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Operating Reserve	6.94	
1017	Insurance Escrow ACC		
1020	Mezz Interest Reserve	728,172.68	the state of the second commence and the second
1021	Wezz interest Reserve	617,920.98	
	Capital Reserve Escrow	58,346.35	
1023	Capex Reserve Renovation	/ 1,713,920.85	
111024	Senior Interest Reserve	2,739,235.47	the state of the s
	Total Current Assets	2,759,235,47	
HH: 1. Z 2/14	i otal odlicht Assets		5,740,458.94
Áccounts Receivabl	and the state of t		
Accounts Metervable	e		pro
o de la compania del compania del compania de la compania del compania de la compania de la compania del compania de la compania de la compania de la compania del compania		and the second	the second of th
1100	City Ledger	435,443.91	and the second of the second o
1108	Guest Ledger		and the second s
1116	Credit Card Chargebacks	(247,481.41)	and the second s
1120	Employee Adverses	(688.22)	
1124	Employee Advances	444.84	
	Travel Advances	1,200.00	and the second of the second o
1128	A/R Miscellaneous	51,772.20	
	Total Accounts Receivable	. ,	240 004 00
Other Receivables		Section 18	240,691.32
* * .			
1 129	Florest Dates 6.1.1 Company on record		
	Royal Palm Condo Sales Office	357,444.34	
1130	Breakwater A/R	112,609.35	
: 1131 ; "	Hotel 71 A/R	214,554.26	
1132	Allowance - Doubtful Accounts	. (3,525.45)	
1134	Melboume Hotel		and the second second second
		6,184.62	
Importanta	Total Other Receivables		687,267.12
Inventories			
1200	Food Inventory	32,501.32	
1203	Liquor Inventory		and the second of the second o
		73,850.18	and the second second
Paganiaa	Total Inventories	÷	106,351.50
Reserves			
1303	Reserve Rooms Linen	229,605.73	and the second
	Tota Reserves		229,605.73
D			440.0UO.15
Prepaids			
		40.00.00	
1400	Prepaid Advertising	12,174.62	
		12,174.62	



·			the same of the sa
-			
1406	Propoid Dugo 9 Cubacistians		
1409	Prepaid Dues & Subscriptions	2,900.02	
1111111111111	Prepaid Insurance	46,701.36	
1424	Prepaid Maintenance Contracts	7,707.93	The state of the s
	Prepaid Other	11,930.59	· · · · · · · · · · · · · · · · · · ·
1436	Prepaid Supplies	2,186.08	The second contraction of the second contrac
1437	Prepaid Contracts	·	, a commence of the commence o
The second secon	Total Prepaids	Z	92,216.50
Other Assets	and the same of	1 11	
1600	P/R Manual Check Clearing	0.00	
1605	A/R Clearing	0.00	
	Total Other Assets		0.00
Other Assets	7.77		
1705	Deposits	143,472.19	
1801	Building	136,050,413.77	
1805	Current Year Additions/FF&E	342,854.64	
1815	Construction in Progress	5,364,176.54	
1850	Construction In Progres	1,607,898.91	
1855	/Loan Closing Cost	1,516,851.52	and the first of the control of the first of the control of the co
1860	Interest Rate Cap Costs	129,200.00	
1870	Pre-Opening Costs	1,020,479.30	
	Total Other Assets	e st silv	146,175,346.87
		14.	
	Total Assets	and the second s	153,271,937.98
Liabilities		(. ()	
		• •	
Current Liabilities			
Current Liabilities	K ID Titoda	0.340.000.70	
2000	A/P Trade	2,140,865.72	
2000 2008	Lifestar AP	243,632.92	
2000 2008 2009	Lifestar AP Guy Mitchell A/P	243,632.92 9,899,909.50	
2000 2008 2009 2011	Lifestar AP Guy Mitchell A/P A/P Claims	243,632.92 9,899,909.50 476,587.25	
2000 2008 2009 2011	Lifestar AP Guy Mitchell A/P A/P Claims Advance Deposits	243,632.92 9,899,909.50 476,587.25 696,589.22	
2000 2008 2009 2011 2200 2205	Lifestar AP Guy Mitchell A/P A/P Claims Advance Deposits Refunds	243,632.92 9,899,909.50 476,587.25 696,589.22 14,848.98	
2000 2008 2009 2011 2200 2205 2210	Lifestar AP Guy Mitchell A/P A/P Claims Advance Deposits Refunds Gift Certificates	243,632.92 9,899,909.50 476,587.25 696,589.22 14,848.98 (70.00)	
2000 2008 2009 2011 2200 2205 2210 2300	Lifestar AP Guy Mitchell A/P A/P Claims Advance Deposits Refunds Gift Certificates Travel & Tour Assessment	243,632.92 9,899,909.50 476,587.25 696,589.22 14,848.98 (70.00) 77,102.83	
2000 2008 2009 2011 2200 2205 2210 2300 2305	Lifestar AP Guy Mitchell A/P A/P Claims Advance Deposits Refunds Gift Certificates Travel & Tour Assessment Occupancy Tax	243,632.92 9,899,909.50 476,587.25 696,589.22 14,848.98 (70.00) 77,102.83 51,929.19	
2000 2008 2009 2011 2200 2205 2210 2300 2305 2310	Lifestar AP Guy Mitchell A/P A/P Claims Advance Deposits Refunds Gift Certificates Travel & Tour Assessment Occupancy Tax R.E. & Property Tax	243,632.92 9,899,909.50 476,587.25 696,589.22 14,848.98 (70.00) 77,102.83 51,929.19 75,000.00	
2000 2008 2009 2011 2200 2205 2210 2300 2305 2310 2315	Lifestar AP Guy Mitchell A/P A/P Claims Advance Deposits Refunds Gift Certificates Travel & Tour Assessment Occupancy Tax R.E. & Property Tax Sales Tax	243,632.92 9,899,909.50 476,587.25 696,589.22 14,848.98 (70.00) 77,102.83 51,929.19 75,000.00 307,064.56	
2000 2008 2009 2011 2200 2205 2210 2300 2305 2310 2315 2316	Lifestar AP Guy Mitchell A/P A/P Claims Advance Deposits Refunds Gift Certificates Travel & Tour Assessment Occupancy Tax R.E. & Property Tax Sales Tax Phone Tax	243,632.92 9,899,909.50 476,587.25 696,589.22 14,848.98 (70.00) 77,102.83 51,929.19 75,000.00 307,064.56 1,474.49	
2000 2008 2009 2011 2200 2205 2210 2300 2305 2310 2315 2316 2320	Lifestar AP Guy Mitchell A/P A/P Claims Advance Deposits Refunds Gift Certificates Travel & Tour Assessment Occupancy Tax R.E. & Property Tax Sales Tax Phone Tax Use Tax	243,632.92 9,899,909.50 476,587.25 696,589.22 14,848.98 (70.00) 77,102.83 51,929.19 75,000.00 307,064.56 1,474.49 13,516.36	
2000 2008 2009 2011 2200 2205 2210 2300 2305 2310 2315 2316 2320 2415	Lifestar AP Guy Mitchell A/P A/P Claims Advance Deposits Refunds Gift Certificates Travel & Tour Assessment Occupancy Tax R.E. & Property Tax Sales Tax Phone Tax Use Tax State Unemployment Insurance	243,632.92 9,899,909.50 476,587.25 696,589.22 14,848.98 (70.00) 77,102.83 51,929.19 75,000.00 307,064.56 1,474.49 13,516.36 (19.86)	
2000 2008 2009 2011 2200 2205 2210 2300 2305 2310 2315 2316 2320 2415 2430	Lifestar AP Guy Mitchell A/P A/P Claims Advance Deposits Refunds Gift Certificates Travel & Tour Assessment Occupancy Tax R.E. & Property Tax Sales Tax Phone Tax Use Tax State Unemployment Insurance Accrued Incentive	243,632.92 9,899,909.50 476,587.25 696,589.22 14,848.98 (70.00) 77,102.83 51,929.19 75,000.00 307,064.56 1,474.49 13,516.36 (19.86) 32,858.31	
2000 2008 2009 2011 2200 2205 2210 2300 2305 2310 2315 2316 2320 2415 2430 2433	Lifestar AP Guy Mitchell A/P A/P Claims Advance Deposits Refunds Gift Certificates Travel & Tour Assessment Occupancy Tax R.E. & Property Tax Sales Tax Phone Tax Use Tax State Unemployment Insurance Accrued Incentive Accrued Payroll	243,632.92 9,899,909.50 476,587.25 696,589.22 14,848.98 (70.00) 77,102.83 51,929.19 75,000.00 307,064.56 1,474.49 13,516.36 (19.86) 32,858.31 247,607.62	
2000 2008 2009 2011 2200 2205 2210 2300 2305 2310 2315 2316 2320 2415 2430 2433 2436	Lifestar AP Guy Mitchell A/P A/P Claims Advance Deposits Refunds Gift Certificates Travel & Tour Assessment Occupancy Tax R.E. & Property Tax Sales Tax Phone Tax Use Tax State Unemployment Insurance Accrued Incentive Accrued Payroll Accrued Vacation	243,632.92 9,899,909.50 476,587.25 696,589.22 14,848.98 (70.00) 77,102.83 51,929.19 75,000.00 307,064.56 1,474.49 13,516.36 (19.86) 32,858.31 247,607.62 76,626.10	
2000 2008 2009 2011 2200 2205 2210 2300 2305 2310 2315 2316 2320 2415 2430 2433 2436 2442	Lifestar AP Guy Mitchell A/P A/P Claims Advance Deposits Refunds Gift Certificates Travel & Tour Assessment Occupancy Tax R.E. & Property Tax Sales Tax Phone Tax Use Tax State Unemployment Insurance Accrued Incentive Accrued Payroll Accrued Vacation Banquet Service Charge	243,632.92 9,899,909.50 476,587.25 696,589.22 14,848.98 (70.00) 77,102.83 51,929.19 75,000.00 307,064.56 1,474.49 13,516.36 (19.86) 32,858.31 247,607.62 76,626.10 492.64	
2000 2008 2009 2011 2200 2205 2210 2300 2305 2310 2315 2316 2320 2415 2430 2433 2436 2442 2445	Lifestar AP Guy Mitchell A/P A/P Claims Advance Deposits Refunds Gift Certificates Travel & Tour Assessment Occupancy Tax R.E. & Property Tax Sales Tax Phone Tax Use Tax State Unemployment Insurance Accrued Incentive Accrued Vacation Banquet Service Charge Bell Gratuities	243,632.92 9,899,909.50 476,587.25 696,589.22 14,848.98 (70.00) 77,102.83 51,929.19 75,000.00 307,064.56 1,474.49 13,516.36 (19.86) 32,858.31 247,607.62 76,626.10 492.64 (4.49)	
2000 2008 2009 2011 2200 2205 2210 2300 2305 2310 2315 2316 2320 2415 2430 2433 2436 2442 2445 2451	Lifestar AP Guy Mitchell A/P A/P Claims Advance Deposits Refunds Gift Certificates Travel & Tour Assessment Occupancy Tax R.E. & Property Tax Sales Tax Phone Tax Use Tax State Unemployment Insurance Accrued Incentive Accrued Payroll Accrued Vacation Banquet Service Charge Bell Gratuities F&B Gratuities	243,632.92 9,899,909,50 476,587,25 696,589,22 14,848.98 (70.00) 77,102.83 51,929.19 75,000.00 307,064.56 1,474.49 13,516.36 (19.86) 32,858.31 247,607.62 76,626.10 492.64 (4.49) 10,536.65	
2000 2008 2009 2011 2200 2205 2210 2300 2305 2310 2315 2316 2320 2415 2430 2433 2436 2442 2445 2451 2500	Lifestar AP Guy Mitchell A/P A/P Claims Advance Deposits Refunds Gift Certificates Travel & Tour Assessment Occupancy Tax R.E. & Property Tax Sales Tax Phone Tax Use Tax State Unemployment Insurance Accrued Incentive Accrued Payroll Accrued Vacation Banquet Service Charge Bell Gratuities F&B Gratuities Accrued Electricity	243,632.92 9.899,909.50 476,587.25 696,589.22 14,848.98 (70.00) 77,102.83 51,929.19 75,000.00 307,064.56 1,474.49 13,516.36 (19.86) 32,858.31 247,607.62 76,626.10 492.64 (4.49) 10,536.65 53,401.64	
2000 2008 2009 2011 2200 2205 2210 2300 2305 2310 2315 2316 2320 2415 2430 2433 2436 2442 2445 2451 2500 2610	Lifestar AP Guy Mitchell A/P A/P Claims Advance Deposits Refunds Gift Certificates Travel & Tour Assessment Occupancy Tax R.E. & Property Tax Sales Tax Phone Tax Use Tax State Unemployment Insurance Accrued Incentive Accrued Payroll Accrued Vacation Banquet Service Charge Bell Gratuities F&B Gratuities Accrued Electricity Accrued Interest	243,632.92 9.899,909.50 476,587.25 696,589.22 14,848.98 (70.00) 77,102.83 51,929.19 75,000.00 307,064.56 1,474.49 13,516.36 (19.86) 32,858.31 247,607.62 76,626.10 492.64 (4.49) 10,536.65 53,401.64 3,446,695.00	
2000 2008 2009 2011 2200 2205 2210 2300 2305 2310 2315 2316 2320 2415 2430 2433 2436 2442 2445 2451 2500 2610 2618	Lifestar AP Guy Mitchell A/P A/P Claims Advance Deposits Refunds Gift Certificates Travel & Tour Assessment Occupency Tax R.E. & Property Tax Sales Tax Phone Tax Use Tax State Unemployment Insurance Accrued Incentive Accrued Payroll Accrued Vacation Banquet Service Charge Bell Gratuities F&B Gratuities Accrued Electricity Accrued Interest Accrued Other	243,632.92 9.899,909.50 476,587.25 696,589.22 14,848.98 (70.00) 77,102.83 51,929.19 75,000.00 307,064.56 1,474.49 13,516.36 (19.86) 32,858.31 247,607.62 76,626.10 492.64 (4.49) 10,536.65 53,401.64 3,448,695.00 1,263,122.94	
2000 2008 2009 2011 2200 2205 2210 2300 2305 2310 2315 2316 2320 2415 2430 2433 2436 2442 2445 2445 2451 2500 2610 2618 2624	Lifestar AP Guy Mitchell A/P A/P Claims Advance Deposits Refunds Gift Certificates Travel & Tour Assessment Occupency Tax R.E. & Property Tax Sales Tax Phone Tax Use Tax State Unemployment Insurance Accrued Incentive Accrued Payroll Accrued Vacation Banquet Service Charge Bell Gratuities F&B Gratuities Accrued Electricity Accrued Interest Accrued Other Accrued T/A Commission Group	243,632.92 9,899,909,50 476,587,25 696,589,22 14,848.98 (70,00) 77,102.83 51,929.19 75,000.00 307,064.56 1,474.49 13,516.36 (19.86) 32,858.31 247,607.62 76,626.10 492.64 (4.49) 10,536.65 53,401.64 3,446,695.00 1,263,122.94 34,415.01	
2000 2008 2009 2011 2200 2205 2210 2300 2305 2310 2315 2316 2320 2415 2430 2433 2436 2442 2445 2451 2500 2610 2618	Lifestar AP Guy Mitchell A/P A/P Claims Advance Deposits Refunds Gift Certificates Travel & Tour Assessment Occupency Tax R.E. & Property Tax Sales Tax Phone Tax Use Tax State Unemployment Insurance Accrued Incentive Accrued Payroll Accrued Vacation Banquet Service Charge Bell Gratuities F&B Gratuities Accrued Electricity Accrued Interest Accrued Other	243,632.92 9.899,909.50 476,587.25 696,589.22 14,848.98 (70.00) 77,102.83 51,929.19 75,000.00 307,064.56 1,474.49 13,516.36 (19.86) 32,858.31 247,607.62 76,626.10 492.64 (4.49) 10,536.65 53,401.64 3,448,695.00 1,263,122.94	

: :			
: :	2691	Condo Developer Fees 868,493,00	
::	2693	Condo Development Fees 151 986 30	
•	2720	Limo Rental (270.05)	
• :	2730	Bech Rental (74.52)	
	Long	Total Current Liabilities	20,254,277,46
	2807	Bugger of the second se	
: : :	2808	Long Term Loan 108,355,132.52 Long Term Mezz Loan 24 545 813 00	(), / <u></u>
: : :	2809	I and Town later I	
	2813	Due To/From Falor 4,202,845,36	
		Total Long Term Liabilities	137,253,790.88
	Equity	The proof of growing the second of the secon	137,233,790,68
	2900 2901	Retained Earnings Prior Year (19,796,244.42)	1 miles
	2902	Capital 16,123,081.20	
::	2905	Capital Colony Capitol (34,828.00)	
::		Retained Earnings Current Year (528,139.14) Total Equity	# <i>{/}********/}/#</i> _/***
: :		All	(4,236,130.36)
::		Total Liabilities	A 66 863 432 - 1 / / / / / / / /
÷		7754/	153,271,937.98
;			

-			
	The second secon		
,	Royal Palm	Lotal	
	Polones Ch.	Holei	
	Balance Shee	,	
American	Feb-07	·	
Assets		e sala de la companya	
	and the same of	and the second	
Current Asse	fs /- / /		
1000	House Banks		
: ::1003	Citi 725 Lock Box	55,000.00	* 12
1004	Citi 738 Operating	513,266.45	
1005	Citi 770 CAPEX	(712,501.00)	Annual Control of the
1006	Wachovia Lock Box	(424,358.77)	of Commence of the second
1007	Tax Escrow Account	1,173,482.83	: Z ()
1009	A/P Disbursement Account	34,965.67	
1010	Condo Deposit	40,000.00	
1011	Operating Reserve	140,000.00	the state of the s
1017	Insurance Escrow ACC	6.94	The state of the s
1020	Mezz Interest Reserve	728,172.68	the first of the second processing and an arrange and the second and the second and the second are second as the second and the second are second as the second are second are second as the second are second are second as
:::1021	Capital Reserve Escrow	617,920.98	The second secon
1023	Capex Reserve Renovation	58,346.35	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
1024	Senior Interest Reserve	1,713,920.85	
	Total Current Assets	2,739,235.47	
		S. S	6,677,458,45
Accounts Rece	vable		and the second of the second o
ne een .	and the second of the second o		/
1100	Cily Lédger	425,351.67	and the second s
1103	Credit Card Clearing -Discover	(1,806.87)	the second of the second of the second of
1108	Guest Ledger	332,304.30	
1116	Credit Card Chargebacks	(969.59)	
1120	Employee Advances	444.84	
1124	Travel Advances	100.00	
200	Total Accounts Receivable		755,424.35
Other Receival	Dies		700,424.88
1129			
1130	Royal Palm Condo Sales Office	357,612.69	
1131	Breakwater A/R	112,609.35	A STATE OF THE STA
1132	Hotel 71 A/R	369,119.00	
1134	Allowance - Doubtful Accounts	(3,525.45)	
1104	Melbourne Hotel	12,369.24	
Inventories	Total Other Receivables	•	848,184.83
mventories .		1 · · ·	
1200	Food Inventor	***	
1203	Food Inventory Liquor Inventory	32,501.32	
· · · · · · · · · · · · · · · · · · ·		46,388.83	
Reserves	Total Inventories		78,890.15
1303	Reserve Poems I :	and the second second	
	Reserve Rooms Linen	229,605.73	
Prepaids	Tota Reserves		229,605.73
1400	Prepaid Advertising		
	· repaid Advertising	11,033.37	

:		
	the state of the s	
	, , , , , , , , , , , , , , , , , , ,	
4400	The state of the s	* 11 *********************************
1406	Prepaid Dues & Subscriptions 1,391.69	
1409	Prepaid Insurance (140,392.01)	
1418	Prepaid Maintenance Contracts 17,333.83	
1424	Prepaid Other 63,581.29	
1436	Prepaid Supplies 2,186.08	
1437	Prepaid Contracts 8,615.90	
	Total Prepaids	(36,249.85)
Other Assets		
1705	Deposits 143,472.19	
1801		The second secon
1805	The second secon	and the state of t
* * * * * .	Current Year Additions/FF&E 349,534.65	
1815	Construction in Progress 5,710,909.99	
1850	Construction in Progres 1,607,126.42	
1855	Loan Closing Cost 1,516,851.52	- 13
: 1860	Interest Rate Cap Costs / / / 129,200.00	
1870	Pre-Opening Costs 1,020,479.30	
	Total Other Assets	146,527,987.84
		//////////////////////////////////////
	Total Assets	/155,081,301.50
i i i i i i i i i i i i i i i i i i i	Total Assets	193,081,301.50
Liabilities	Section of the second section of the section of the second section of the section of the second section of the sect	
	and the second of the second o	7 () () () () () () () () () (
Current Liabilities	ニフィーニニングル ニーピーカン・アイ	and the second court of the first of the second
2000	A/P Trade 2,120,508.89	and the same are a sum and the first of the first of the second
2008	Lifestar AP 243,632.92	17 mm m. m
2009	Guy Mitchell A/P 9,899,909.50	
2011	A/P Claims 476,587.25	
2200	Advance Deposits 340,444.50	and the second property of the second
2205	Refunds 14,848.98	
2210		
2300	Gift Certificates (70.00) Travel & Tour Assessment 136,588.42	
2305		
2310		
	R.E. & Property Tax 75,000.00	and the second of the second
:2315	Sales Tax 445,767.10	and the second second
2316	Phone Tax 3,308.71	and the second of the second o
2320	Use Tax 38,298.58	and the second
2415	State Unemployment Insurance (19.86)	
2430	Accrued Incentive 32,858.31	
2433	Accrued Payroll 335,184.67	
2436	Accrued Vacation 76,626.10	
2442	Banquet Service Charge 3,307.41	
2445	Bell Gratuities (314.29)	
2451	F&B Gratuities 16,412.51	
2500	Accrued Electricity 53,401.64	
2610		
2618		
2624		
2630	Accrued Property Taxes 69,960.15	
2691	Condo Developer Fees 868,493.00	
2693	Condo Development Fees 151,986.30	
and the second s	Limo Rental (254.05)	
2730	Bech Rental 370.69	
•		

2735	Accrued Payroll	800.00	
	Total Current Liabilities	000.00	21,446,471.35
Long Term Liab			/
2807	Long Term Loan	108,355,132,52	7 m
2808	Long Term Mezz Loan	24,545,813.00	The second secon
2809	Long Term Wachovia Op Res	4,202,845.36	
2813	Due To/From Falor	150,000.00	
	Total Long Term Liabilities	, , , , , , , , , , , , , , , , , , , ,	137,253,790.88
Equity			7.00,200,700,00
2900	Retained Earnings Prior Year	(19.796.244.42)	/ · / / / / / / / / / / / / / / / / / /
2901	Capital	16,123,081.20	and the same of
2902	Capital Colony Capitol	(34,828.00)	: f f and and f grade was
2905	Retained Earnings Current Year	89,030.49	and the first state of the same of the sam
	Total Equity	1/1/	(3,618,960.73)
114. 77 - 7			
	Total Liabilities		155,081,301.50

			······································	
:				
	***************************************	***************************************		***************************************
• : :		David Balan	* * * _ B	
· · ·		Royal Palm	Hotel	***************************************
: :		Balance Shee	t As Of	
:		Mar-07		
:		/ · / ·		
• • •	,	,	and the second second	(t-11) +3444-111111-11111-1111-1111-1111-1111-1
: . :	A Company of the Comp		all and from the second	
: : :	Current Assets	a annual an ann ann ann ann ann an an an an an a	A plant from	
::.		and the second s		
::.	1000	House Banks	55,000.00	
: · .	1003	Citi 725 Lock Box		<i>₹</i>
<i>: :</i>	1003	Citi 738 Operating	863,171.09	
: :	1005	Citi 770 CAPEX	(1,005,364.53)	Employee and the second
	1005	Wachovia Lock Box	(331,881.18)	and the second s
	1007	and the second of the second o	88,326.67	and the contraction of the contr
	1007	Tax Escrow Account	183,485.71	and the second s
	1010	A/P Disbursement Account	40,000.00	and the second of the second o
		Condo Deposit	140,000.00	
	1011 1017	Operating Reserve	6.94	The second secon
		Insurance Escrow ACC	469,699.59	and the second s
	1020	Mezz Interest Reserve	617,920.98	and the second s
: :	1021 1023	Capital Reserve Escrow	52,784.88	
	1024	Capex Reserve Renovation	1,374,705.38	
	1024	Senior Interest Reserve	1,016,790.60	the state of the s
1		Total Current Assets	·	3,564,646.13
•	Accounts Receiva	School min.		
	Accounts necessar	uie		and the second and the second are second as the second are second are second as the second are second as the second are s
٠.	1100	City Ledger	A due des de la	
	1103	Credit Card Clearing -Discover	1,115,478.43	
	1108	Guest Ledger	(1,806.87)	
	1116	Credit Card Chargebacks	399,987.28	
	1120	Employee Advances	(1,375.26)	and the second of the second o
	1124	Travel Advances	444.84	
	1124	Total Accounts Receivable	1,100.00	A sea had an
	Other Receivable			1,513,828.42
:	Other neceivable			
	1130	Breakwater A/R	100 500 05	
	1131	Hotel 71 A/R	122,599.35 3,556.44	
	1132	Allowance - Doubtful Accounts	•	
	1134	Melbourne Hotel	(3,525.45)	
	1704	Total Other Receivables	42,274.86	104 007 00
	Inventories	rotal Other Receivables		164,905.20
			•	
	1200	Food Inventory	40 760 70	
	1203	Liquor Inventory	43,760.72 31,830.25	
	i 205 i 215	Honor Bar Inventory		
	230	Retail#1-Accessories Inventory	46,761.14	
. '		Total Inventories	(301.50)	100 050 64
	Reserves	. Otal mivelifolies		122,050.61
1	303	Reserve Rooms Linen	200 005 70	
1		Tota Reserves	229,605.73	220 205 70
	Prepaids	I DIA NESEIVES	•	229,605.73
	repaius		*	•

::

	•			*
	***************************************	***************************************	description of the second of the second of	*
: : :	1400	Prepaid Advertising	9,892.12	
	1406	Prepaid Dues & Subscriptions		The second secon
:	1409	Prepaid Insurance	(116.64)	· Annual control of the control of t
	1418		775,373.47	•
		Prepaid Maintenance Contracts	15,104.30	*
:::	1424	Prepaid Other	59,629.42	A to the comment of t
	1436	Prepaid Supplies	2,186.08	The state of the s
::	1437	Prepaid Contracts	8,615.90	· · · · · · · · · · · · · · · · · · ·
: :		Total Prepaids 🚈 🗝	al de la companya de	870,684.65
::	Other Assets	and the second	and the second of the second of	***************************************
	1705	Deposits		The second secon
	1801	Building	136,050,413.77	
٠:	1815	Construction in Progress	8,734,739.19	and the second control of the second control
::	1855	Loan Closing Cost	1,516,851.52	
:	1860	Interest Rate Cap Costs	129,200.00	
: :	1870	Pre-Opening Costs	3,350,000.00	The state of the same of the s
: ; ;		Total Other Assets	0,000,000	149,924,676.67
				/140,024,010.01
		Total Assets	and the second	CAPO DOS DOS ES
		rotal Assets		156,390,397.41
: : :	Liabilities	or and the second		the second of th
	÷-	فمحن بمحمولين فحرارات في محمولينين فللمستعدد والأرارات		and the second of the second o
	Current Liabilities	and the second of the second o		
: : :	2000	A/P Trade	2,315,125.98	and the second of the second o
	2008	Lifestar AP	166,560.20	and the second of the second o
: : :	2009	Guy Mitchell A/P	2,725,900.54	and the second s
: : :	2011	A/P Claims	802,435.62	
	2200	Advance Deposits	275,177.47	
. :	2205	Refunds	18,909.46	
	2210	Gift Certificates	(70.00)	in the second of
: '	2300	Travel & Tour Assessment	215,344.69	and the second of the second of
٠.,	2305	Occupancy Tax	95,012.40	
:	2310	R.E. & Property Tax		
	2315	Sales Tax	(248,609.43)	
	2316	Phone Tax	635,075.81	and the following of the first of the first
• :	2320	Use Tax	4,387.98	
	2415		65,613.83	
:		State Unemployment Insurance	(19.86)	and the second
	2430	Accrued Incentive	32,858.31	
	2433	Accrued Payroll	320,563.33	
	2436	Accrued Vacation	76,626.10	,
	2442	Banquet Service Charge	4,995.22	
	2445	Bell Gratuities	(391.29)	and the second
	2451	F&B Gratuities	29,599.24	
	2500	Accrued Electricity	53,401.64	
	2610	Accrued Interest	3,446,695.00	
: :	2618	Accrued Other	205,225.03	
	2624	Accrued T/A Commission Group	34,415.01	
٠.	2630	Accrued Property Taxes	69,960.15	
	2691	Condo Developer Fees	3,000,000.00	
	2693	Condo Development Fees	350,000.00	
	2720	Limo Rental	(601.55)	
	2730	Bech Rental		
		Accrued Payroll	3,193.64	
	£100	Accorded trayfull	3,367.00	
		•		

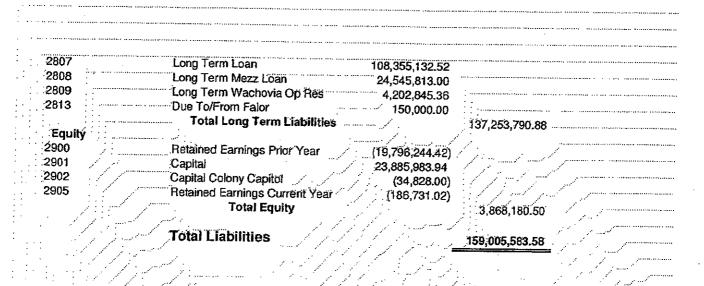
	•				
: ;	***************************************		t etta eriese aldahatehen vid eine danmannen videne	***************************************	
:::					
		Total Current Liabilities		14,700,751.52	
	Long	Term Liabilities			r ir ir na nai nini mareta amalian ani
	. 2807	Long Term Loan	108,355,132.52	Committee Commit	·
: : :	2808	Long Term Mezz Loan	24,545,813.00	The state of the s	×
	2809	Long Term Wachovia Op Res	4,202,845.36	and the same of th	John Commission and State of the State of th
	2813	Due To/From Fator	150,000.00		
:::	::.	Total Long Term Liabilities		137,253,790.88	A surph
	Equity	The free way is			<i>y y y y y y y y y y</i>
: .	2900	Retained Earnings Prior Year	(19,796,244.40)	11:00	
: :	2901	Capital	23,885,983.95		/
	2902	Capital Colony Capitol	(34,828.00)	and the second s	the second of th
::	2905	Retained Earnings Current Year	380,943.46	محمورات محرور والمستعدد والمتعارض	and the second second
. :	:: :	Total Equity		4,435,855.01	
::					I for the second
		Total Liabilities		156,390,397.41	The state of the state of the same
		シイル・イント ニュー・コンディ	<u> </u>		
			·		and the second s

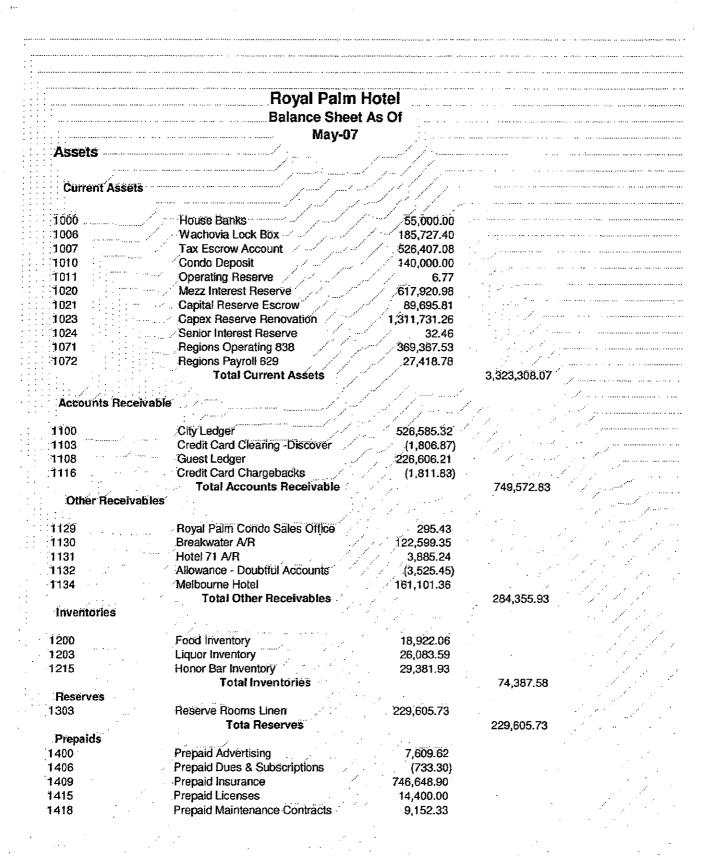
	-		•

• • •			
	Pount Date	as II as a I	men come in the control of the contr
	Royal Pal		
	Balance She	et As Of	
	Apr-(7	77 100 100 100 100 100 100 100 100 100 1
Assets		/ / /	The second secon
	non-control of the control of the co		
Current As	See to the second secon	and the second second	
Current As	seis	~/ / ~ / / /~	
i i i i i i i i i i i i i i i i i i i		and I have for a	
	House Banks	55,000.00	/
1004	Citi 738 Operating	(44,555.29)	promote any and a second a second and a second a second and a second a second and a second and a second and a
1006	Wachovia Lock Box	1,221,984.24	
1007	Tax Escrow Account	183,485.71	
1009	A/P Disbursement Account	60,000.00	the state of the s
1010	Condo Deposit	140,000.00	The state of the s
1011	Operating Reserve .	6.94	The second secon
1017	Insurance Escrow ACC	469 699.59	The second secon
1020	Mezz Interest Reserve	617,920.98	
1021	Capital Reserve Escrow	52,784.88	
1023	Capex Reserve Renovation	1,374,705.38	
1024	Senior Interest Reserve	1,016,790.60	The second secon
1071	Operating Account OLD	620,186.50	The second secon
	Total Current Assets	/ /	5,768,009.53
		and the second of the second of	, , , , , , , , , , , , , , , , , , , ,
Accounts Re	eceivable	a part and a second and a second and a second a	Antonia de Comercia de Comerci
1100	manufacture of the second seco		
1103	City Ledger	1,322,603.98	プラグ さいくんんん ぜんしょう
1108	Credit Card Clearing -Discover	(1,806.87)	
1116	Guest Ledger	228,143.71	
1110	Credit Card Chargebacks	(1,882.34)	the state of the s
Other Rece	Total Accounts Receivable		1,547,058.48
Oulei nece	ivables		
1129	Bound Ballation of the state of		
1130	Royal Palm Condo Sales Office	186.02	
1131	Breakwater A/R	122,599.35	
1132	Hotel 71 A/R	3,556.44	
1134	Allowance - Doubtful Accounts	(3,525.45)	and the second s
1104	Melbourne Hotel	65,180,48	and the second of the second o
Inventories	Total Other Receivables	11/1/	187,996.84
THE CHIEF ICS			
1200	Food Inventory		
1203	Liquor Inventory	23,286.72	
1215	Honor Bar Inventory	22,774.97	
12.0		34,709.95	
Reserves	Total Inventories		80,771.64
1303	Reserve Rooms Linen	=	
		229,605.73	I for the second of the second of the second
Prepaids	Tota Reserves	.*	229,605.73
1400	Proposid Advantation		
1406	Prepaid Advertising	8,750.87	
1409	Prepaid Dues & Subscriptions	(424.97)	
1400	Prepaid Insurance	775,373.47	•
	•		4 · · · · ·

·		

		1,7,7,0,0
1415 Prepaid Licenses		
· · · · · · · · · · · · · · · · · · ·	14,400.00	
1418 Prepaid Maintenance Contracts	7,122.18	
1424 Prepaid Other	78,821.85	
1430 Prepaid Property Tax	398,609.43	
1436 Prepaid Supplies	2,186.08	
1437 Prepaid Contracts	8,615.90	The state of the s
Total Prenaids	/ 0,010.30	4 600 474 04
Other Assets	. January	1,293,454.81
1705 Deposits	177 470 30	/ / / /
1801 Building	143,472.19	the state of the s
1815 Construction in Progress	136,050,413.77	
1850 Construction in Progres	8,778,428.44	
1855 Loan Closing Cost	(69,679.37)	and the first production of the community of the communit
Loan Closing Cost	/ /1,516,851.52	and the second s
interest rate cap cosis	129,200.00	
10 Opening Cosis	3,350,000.00	
Total Other Assets		149,898,686.55
Total Assets	The second second	159,005,583.58
Liabilities	and the second s	7 100,000,000,000
	and the second second	111111111111111111111111111111111111111
Current Liabilities	and the state of the second control of the s	
2000 A/P Trade		
	3,011,042.39	and the second second of the s
The second of the second secon	166,560.20	1 - January - Ja
Gay Millorion 7V1	2,562,893.10	the second summer of the first of the second
. Julius	802,435.62	
and Doposits	292,555.78	まいがごご ご べんだんほどう
7,0,0,0	14,982.33	
2210 Gift Certificates	(70.00)	
2300 Travel & Tour Assessment	277,689.09	
2305 Occupancy Tax	157,356.80	
2315 Sales Tax	783,270.69	日 パン・コープ・ブイスティー
2316 Phone Tax	5,649.66	
2320 Use Tax	86,269.72	
2415 State Unemployment Insurance	(19.86)	出げえ アー・ボー イライック
2430 Accrued Incentive	32,858.31	and the second of the second o
2433 Accrued Payroll	440,728.77	
2436 Accrued Vacation		
2442 Banquet Service Charge	76,626.10 6,953.89	
2445 Bell Gratuities		
2451 F&B Gratuities	(381.87)	
2500 Accrued Electricity	32,795.47	
2610 Accrued Interest	53,401.64	
, interest	4,764,292.74	and the second of the second of the
1101.000 00101	583,888.29	
Sissings in Commission City	34,415.01	
i interpolity reacts	344,960.15	
Condo Dovolopor Food	3,000,000.00	
2693 Condo Development Fees	350.000.00	At the second se
2693 Condo Development Fees 2720 Limo Rental	350,000.00 (601.55)	the state of the state of the
2693 Condo Development Fees 2720 Limo Rental	(601.55)	
2693 Condo Development Fees 2720 Limo Rental	(601.55) 3,059.73	17,883,612.20





•			

1424	Prepaid Other	77,087.38	
1430	Prepaid Property Tax	283,609.43	
1436	Prepaid Supplies	2,186.08	
1437	Prepaid Contracts	8,615.90	The state of the s
	Total Prepaids		1,148,576.34
Other As			· · · · · · · · · · · · · · · · · · ·
1705	Deposits	143,472.19	E J. C. S. San San K. James Sandan Sanda
:::1801 1805	Building	136,050,413.77	of the first of the second of
1815	Current Year Additions/FF&E Construction in Progress	7,523.00	
1855	Loan Closing Cost	9,211,618.70 1,516,851.52	
1860	Interest Rate Cap Costs	129,200.00	The state of the s
1870	Pre-Opening Costs	3,350,000.00	
	Total Other Assets	/ / / 0,000,000.00	150,409,079.18
The second of th	tible/c/p	//jr.	/ 100,400,070.10
期間 不	Total Assets	and the second of the second o	156,218,885.66
Liabilitie		The second of th	700,210,000.00
Fignillie		(and the second of the second o
Current L	iabilities	Let Let from the first from the firs	
2000	A/P Trade	3,036,966.86	
2008	Lifestar AP	166,560.20	
2009	Mitchell Hotel Group, LLC	3,214,366.50	
2011	A/P Claims	753,482.48	
2012	Falor / MSD Group	13,923.20	
2013	Affiliates AP 2005	383,534.00	ストラング こうさんとうん ラン
2200	Advance Deposits	383,245.30	
2205	Refunds	12,646.08	
.2210	Gift Certificates	(70.00)	and the second of the second o
2300	Travel & Tour Assessment	(6,843.13)	
2305 2315	Occupancy Tax Sales Tax	(177,329.29)	and the second of the second
2316	Phone Tax	466,045.33	
2320	Use Tax	(6,353.37) 105,859.05	
2415	State Unemployment Insurance	(19.86)	
2430	Accrued Incentive	32,858.31	
2433	Accrued Payroll	586,424.11	
2436	Accrued Vacation	76,626.10	and the second
2442	Banquet Service Charge	11,543.80	
2445	Bell Gratuities	(664.49)	
2451	F&B Gratuities	32,966.60	
2500	Accrued Electricity	53,401.64	
2610	Accrued Interest	3,852,695.00	
2618	Accrued Other	288,250.23	
2624 2630	Accrued T/A Commission Group Accrued Property Taxes	34,415.01	· · · · · · · · · · · · · · · · · · ·
2691	Condo Developer Fees	344,960.15	
2693	Condo Development Fees	3,000,000.00 350,000.00	
2720	Limo Rental	(601.55)	
2730	Gift Shop AP	4,791.81	
	Total Current Liabilities	7,101,01	17,013,680.07
Long Tern	Liabilities		
		A STATE OF THE STA	

	•			,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
::	2807	Long Term Loan	108,355,132.52	
	2808	Long Term Mezz Loan	24,545,813.00	
	2809	Long Term Wachovia Op Res	4,202,845.36	
::	2813	Due To/From Falor	150,000.00	· · · · · · · · · · · · · · · · · · ·
	: i	Total Long Term Liabilities		137,253,790.88
	Equity	· · · · · · · · · · · · · · · · · · ·	/;/	7
	2900	Retained Earnings Prior Year	(19,796,244.42)	er i er Silvin er i er
	2901	/ / Capital	22,674,845.72	
	2905	Retained Earnings Current Year	(927,186.59)	
		Total Equity		1,951,414.71
		71:H 7000	معمر المستنبي والمستنبي والمتأثر والمتمار والم والمتار والمتمار والمتمار والمتمار والمتمار والمتمار والمتمار وا	and the second s
	, and a	Total Liabilities	and the second s	156,218,885.66

	Address and the second			
:::	Paval Balm	Latal		
	Royal Palm	лосеі		the state of the s
* * * * * * * * * * * * * * * * * * * *	Balance Shee	t As Of		111
	Jun-07			
Assets	and a summer of the second sec			eranga erangan menangan menangan menangan berangan berangan berangan berangan berangan berangan berangan berang
	and the same of th			
Curron	TASSETS	/	***************************************	
Cullen	I Assets	and franchist franchis	,	
	The second secon	/ / / / / /		
1000		55,000.00		\$ 1. 4. 4. W. W. W.
1006	Wachovia Lock Box	74.38	7 ·	
1007	Tax Escrow Account	668,772.37		*** ***********************************
1011	Operating Reserve	6.77	: "	
1017	Insurance Escrow ACC	26,322.14		And the second of the second o
1020	Mezz Interest Reserve	617,920.98		
1021	Capital Reserve Escrow	89,732.67		
1023	Capex Reserve Renovation	1,313,887.53		
1024	Senior Interest Reserve	32.46		
1071	Operating Account OLD	701,070.84		
1072	Payroll Account Chicago H&S	18,815.35		
::	Total Current Assets	7.10,010.00	2 401 605 40	** *** ***
			3,491,635.49	
Accounts	Receivable	Andreas Services		
. : :		e de la companya del companya de la companya del companya de la co		
1100	City Ledger	420,677.66	er ger	
1108	Guest Ledger	272,589.44	1.	* .*
	Total Accounts Receivable	272,000.44	693,267.10	i de la companya de La companya de la co
Other R	eceivables	e e e	093,267.10	
		1 / 1 mm	.*	
1130	Breakwater A/R	122,599.35		
1131	Hotel 71 A/R	6,488.06		
1132	Allowance - Doubtful Accounts	(3,525.45)	·	
	Total Other Receivables	(0,020,40)	125,561.96	and the second second
Inventorie	s		120,001.86	
1200	Food Inventory	11,032.19		
1203	Liquor Inventory	17,993.25		
1215	Honor Bar Inventory	23,317.76		.*
1230	Retail#1-Accessories Inventory	290.00		
	Total Inventories	. 200.00	52,633.20	
Reserves			J2,033.20	
1303	Reserve Rooms Linen	229,605.73		
	Tota Reserves		200 605 70	
Prepaids			229,605.73	•
1400	Prepaid Advertising	6,468.37	•	·
1406	Prepaid Dues & Subscriptions	(1,308.23)	•	• •
1409	Prepaid Insurance	746,648.90		<i>.</i>
1415	Prepaid Licenses	7,200.00		
1418	Prepaid Maintenance Contracts	11,765.76	•	
1424	Prepaid Other	247,353.43	•	
	Total Prepaids	447,005.43	224 OHO F	•
Óther Asséi	S		1,018,128.23	

170		143,472.19	9
1801	·	136,050,413.7	
1805	- Canoni real Additions/ rac	7,523.00	
1815	o o lou dollott itt i togtess	9,911,419.66	
1855	Cooling Cool	1,516,851.52	
1860	The cost of the costs	129,200.00	
	Total Other Assets		147,758,880.14
	4 J. 1903	And 1	/ 17 17 17 17 17 17 17 17 17 17 17 17 17
. :::::::::::::::::::::::::::::::::::::	Total Assets		153,369,711.85
Liat	ólities //	Janeary Commission of the Comm	7 100,000,711.00
		and the second second	· · · · · · · · · · · · · · · · · · ·
Cur	rent Liabilities	aria di Santa da San	
2000		The second of the second	
2008		3,263,557.07	the first and a second of the first and a second of the first and the second of the first and the second of the se
2009	Lifestar AP	/ 166,560.20	and the second control of the second control
2010	Mitchell Hotel Group, LLC	3,942,700.53	The state of the second
2011	A/P Clearing	(7,390.00)	
2200	A/P Claims	741,767.09	
2205	Advance Deposits	393,019.93	
4	Refunds	12,214.08	
2210 2300	Gift Certificates	(70.00)	
	Travel & Tour Assessment	95,846.50	The state of the s
2305	Occupancy Tax	39,953.47	
2315	Sales Tax	120,007.65	
2316	Phone Tax	748.79	
2400	Federal Income Tax	237,965.21	
2403	FICA - Employee	/ / 156,368.62	
2409	Federal Unemployment Insurance	5,681.99	
: 2412	FICA - Employer	156,368.65	
2415	State Unemployment Insurance	19,156.91	
2430	Accrued Incentive	32,858.31	
2433	Accrued Payroll	240,412.60	
2436	Accrued Vacation	76,626.10	
2442	Banquet Service Charge	17,396.62	
2451	F&B Gratuities	15,841.34	
2500	Accrued Electricity	53,401.64	
2610	Accrued Interest	3,852,695.00	
2618	Accrued Other	490,087.57	しおいわん さつこうしょう
.2624	Accrued T/A Commission Group	34,415.01	
2630	Accrued Property Taxes	811,350.72	
2720	Limo Rental	(601.55)	
2730	Bech Rental	6,770.94	
2735	Accrued Payroll	903.00	
	Total Current Liabilities		14,976,613.99
Long	Term Liabilities		14,570,013.99
2807	Lóng Term Loan	108,355,132.52	
2808	Long Term Mezz Loan	24,545,813.00	
2809	Long Term Wachovia Op Rés	4,202,845.36	
	Total Long Term Liabilities	7,4V4,040.30	107 100 760 00
Equity	Total Provides		137,103,790.88
2900	Retained Earnings Prior Year	110 700 574 70	
2901	Capital	(19,796,244.42)	•
	- Capital	23,885,983.92	

902 905	Capital Colony Capitol		(34,828.00)	enderson constitution and control of the second control of the sec
	Retained Earnings Curren Total Equity	t Year {2,7	(65,604.52)	
. /	roial Equity		1,289	9,306.98
	Total Liabilities		455 000	704 ob /
				<u>,/11.85</u>
* Equity accounts are	being reviewed and numbers may b	∍ ¤pdated based on c	ontributions***	
			,	
*			9-99-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-	
	at our contract which	, , , , , , , , , , , , , , , , ,	·	
to the second se	and the second of the second o	Same Same and Company of the Company	The second secon	Januarian and Artifaction of the State of th
	وسيند بدوس بسينسس بنجاء الرواز	Same of the same	1 m. m. 1	and the second second and the second
	and the second s	المراز والميادية والمعمرة المراد	and the second of the second o	the formulation of the first
		and the second second	a () and () and	and from the part of the
			and the second s	m / 1 / / / / /
			e same and the second of the second	manuse of the second
)
		J. / / / / / / .		
		The second second	and the second s	17.11.11.11.11.
				////////
		and the second		1/1/1/1/1/1
		a de la companya de	propriet propriet	
1				
				A Property of the
• • • • • •				
•				
• , •				
	:			
•				
· .				
		•		
		•	•	
• • • •				
•				
• .				
•			and the second	
	•	•		.*
				•

	Royal Palm	n Hotel		
Park 44 1 11 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Balance She			
	Jul-07	,		
Assets		and the second s		*
	and the second control of the second control	and the first first from		
Current Ass	šētš	and the second of the second o		
	and the second s		· · · · · · · · · · · · · · · · · · ·	*
1000	House Banks	55,000.00	,	***************************************
1006	Wachovia Lock Box	322,173.43	er Serrenne mersinne sin er	***** ****** (*** ******** ** ****** ******
1007	Tax Escrow Account	668,772.37		
1011	Operating Reserve	6.94		
1017	Insurance Escrow ACC	26,322.14		
1020	Mezz Interest Reserve	617,920.98		
1021	Capital Reserve Escrow	89,770.78		
1023	Capex Reserve Renovation	1,316,119.22	1997 - Z	
1024	Senior Interest Reserve	32.48		*****
1055	Regions Lock Box 890	244.17		
1071 1072	Regions Operating 838	130,710.96		2" " · · · · · · · · · · · · · · · · · ·
1072 : :	Regions Payroll 629 Total Current Assets	(10,271.59)	0.040.004.00	The state of the s
	rotal Current Assets		3,216,801.88	
Accounts Re	celvable		en de la companya de La companya de la co	
	The same seems among the same seems and the same seems and the same seems are same seems and the same seems and the same seems are same seems and the same seems are same s			y
1100	City Ledger	408,583.73		and the second of the second o
1108	Guest Ledger	163,091.04	and the second second	" /
. · · · · -	Total Accounts Receivable		571,674.77	
Other Rece	ivables			and the second of the second
	and the second s		·	
1130	Breakwater A/R	122,599.35		
1131	Hotel 71 A/R	8,110.77		
lance and residence	Total Other Receivables		130,710.12	
Inventories				
1200	Food Inventory	11,769.24		
1203	Liquor Inventory	20,394.22		
1215	Honor Bar Inventory	20,394.22 8,330.90		
	Total Inventories	, 0,000.00	40,494.36	
Reserves			10,757.00	
1303	Reserve Rooms Linen	229,605.73		
	Tota Reserves	,	229,605.73	
Prepaids			•	
1400	Prepaid Advertising	5,327.12		
1409	Prepaid Insurance	459,243.08		
1415	Prepaid Licenses	6,000.00		
1418	Prepaid Maintenance Contracts	5,577.75		
1433	Prepaid Real Estate Tax	143,297.77		
Oshani Arri is i	Total Prepaids		619,445.72	•
Other Assets	Deminin	عاد تعمله يكون و		
1705 1801	Deposits	143,472.19		
1001	Building	136,050,413.77	. •	

	The second secon		
			Commence of the commence of th
· · · · · · · · · · · · · · · · · · ·	The state of the s		
1805	Current Year Additions/FF&E	7,523.00	
1815	Construction in Progress	9,967,068.50	
1855	Loan Closing Cost	9,967,008.50 1,516,851.52	
1860	Interest Rate Cap Costs	1,310,651.52	
	Total Other Assets	129,200.00	
	Total Office Assets	And the second s	147,814,528.98
	Total Assets	John Street Street	
		Landar anni ang sa	152,623,261.56
Liabi	lities : : : :	in the second	· ·
	and the second of the second o	1/11/1/	
	nt Liabilities	A John Jan Wall Street	
2000	A/P Trade	3,501,386.82	The state of the s
2009	Guy Mitchell A/P	3,892,730.53	1 / 1 mm m m m m m m m m m m m m m m m m
2011	A/P Claims	439,207.95	the second of th
: 2200	Advance Deposits	352,466.88	and the second s
2205	Refunds	/ / 12,214.08	
2300	Travel & Tour Assessment	81,788.37	
2305	Occupancy Tax	/ / 89 190.79	and the second of the second o
2315	Sales Tax	447,625.80	日田・イグ ハトイルオーイ 二
2316	Phone Tax	3,502.63	
2400	Federal Income Tax	259,276.93	日間はおくと カー・ビルコイン
2403	FICA - Employee	169,641.53	
2409	Federal Unemployment Insurance	5,849.22	マスログイス アースイブニア
2412	FICA - Employer	169,641.55	
2415	State Unemployment Insurance	19,721.30	
2430	Accrued Incentive	29,816.01	
:2433	Accrued Payroll	234,566.20	ニーフィー・コンド イングラングラ
2436	Accrued Vacation	100,845.95	
2442	Banquet Service Charge	16,563.35	
2445	Bell Gratuities	582.00	
2451	F&B Gratuities	19,200.47	
:2500	Accrued Electricity	53,401.64	
2610	Accrued Interest	3,852,695.00	
2618	Accrued Other	167,950.58	
2630	Accrued Property Taxes	961,350.72	
1 2	Total Current Liabilities		14,881,216.30
	erm Liabilities	and the second control of	
2807 2808	Long Term Loan	108,355,132.52	
	Long Term Mezz Loan	24,545,813.00	
2809	Long Term Wachovia Op Res	4,202,845.36	
Equity	Total Long Term Liabilities		137,103,790.88
	Detained Families Discover	المحاورين والمستكام والمحارج	
2900 2901	Retained Earnings Prior Year	(19,796,244.42)	
2901 2902	Capital	23,885,983.95	
2902 2905	Capital Colony Capitol	(34,828.00)	
2303	Retained Earnings Current Year	(3,416,657.15)	The second second
	Total Equity		638,254.38
	.T_1_1	Access to the second	
	Total Liabilities	<u>ني</u> المراجع الم	152,623,261.56



	the management of the second o					
* *************************************			· · · · · · · · · · · · · · · · · · ·			
t t t tree reserver and analysis a tree	Royal Palm	Hotel				
: : :	Balance Shee			* *************************************		
	•			Comment of the control of the contro		
	Aug-07			···· · · · · · · · · · · · · · · · · ·		
Assets		والمستنان والمتمير ممتحور والمتناور				
* * * *				•		
Current Asse	***************************************					
Current Asse	· · · · · · · · · · · · · · · · · · ·	the property of the property of the second				
a a series de la compansión de la compan						
1000	House Banks	55,000.00	/			
11006	/ Wachovia Lock Box	74,451.10	·			
1007	Tax Escrow Account	668,772.37				
1011	Operating Reserve	6.94				
1017	Insurance Escrow ACC	26,322.14	The state of the s			
1020	Mezz Interest Reserve	617,920.98				
1021	Capital Reserve Escrow	89,770.78	and the state of t			
1023	Capex Reserve Renovation	1,316,119.22				
1024	Senior Interest Reserve	32.48				
1055	Regions Lock Box 890	17,917.00				
1071	Regions Operating 838	(159,797.32)	interior in the part of the			
1072	Regions Payroll 629	(56,354.76)				
	Total Current Assets	. (00,004.70)	2,650,160.93			
			2,000,100.93	/		
Accounts Rec	ėivable	and the second second	100			
	to the second of	and the second	Barrier Stranger			
1100	City Ledger	419,034.69				
1108	Guest Ledger	166,784.73				
1120	Employee Advances	500.00		* ****************************		
	Total Accounts Receivable	, 500.00	Enchio in			
Total Accounts Receivable 586,319.42						
		***		and the second of the second		
1130	Breakwater A/R	122,599.35	the production			
1131	Hotel 71 A/R	8,526.57				
	Total Other Receivables	0,020.07	101 105 00			
Inventories	" ' Vidi Other Mecervables		131,125.92			
		· · · · · · · · · · · ·	• • •			
1200	Food Inventory	10,187.05				
1203	Liquor Inventory	15,220.47	and the second second	_		
1215	Honor Bar Inventory	· ·				
, , ,	Total Inventories	6,445.75	04.050.07	•		
Reserves	, idanimentones		31,853.27	•		
1303	Reserve Rooms Linen	000 005 70				
	Tota Reserves	229,605.73	500 005 mg			
Prepaids	Tota neserves	•	229,605.73	•		
1400	Prepaid Advertising	7 440505	•			
1406	Prepaid Dues & Subscriptions	4,185.87	and the same			
1409	Prepaid Insurance	9,284.00		•		
1415	Prepaid Licenses	753,787.47		·*		
1418		4,800.00				
1433	Prepaid Maintenance Contracts	18,047.08	•	,		
1433	Prepaid Real Estate Tax	143,297.77		•		
Other Address	Total Prepaids	•	933,402.19			
Other Assets				•		



			and the same of th
1705	Deposits	140 470 48	· · · · · · · · · · · · · · · · · · ·
1801	Building	143,472.19	
1805	Current Year Additions/FF&E	136,050,413.77	*
1815	Construction in Progress	7,870.77	
1855	Loan Closing Cost	9,961,001.73	
1860	Interest Rate Cap Costs	120,000,00	
	Total Other Assets	129,200.00	127,000,000,00
	. John Other Assets	Section 1	147,808,809.98
	Total Assets	منسديس والمراج	<u> </u>
i ialamiz	iotal Assets	and the second of the second	<u>/ 152,371,277.44</u>
Liabilities	to a summer of the contract of	1 / m.	
	The state of the second se	the state of the s	
Current Liabilit		and the second	
2000	A/P Trade	3,896,531.85	e germania mangana katalah pertambah menangan
2009	Mitchell Hotel Group, LLC	4,671,583.53	to proceed the property of the
2011	A/P Claims	439,207.95	and the second of the second o
2012	Falor / MSD Group	13,923.20	the state of the second of the second of
2013	Attiliates AP 2005	383,534.00	
2200	Advance Deposits	377,294.16	
2300	Refunds	14,364.08	問題アストキード オフリニ
2305	Travel & Tour Assessment	122,744.05	
2315	Occupancy Tax	130,146.47	
2316	Sales Tax	290,425.44	
2400	Phone Tax	4,284.36	
2403	Fica - Employee	325,433.53	
2409	Federal Unemployment Insurance	207,213.81	
2412	FICA - Employer	6,308.58	
2415	State Unemployment Insurance	207,213.81	
2430	Accrued Incentive	21,271.63	
2433	Accrued Payroll	29,816.01	
2436	Accrued Vacation	83,983.83	
2442	Banquet Service Charge	100,845.95 17,303.40	
2445	Bell Gratuities	582.00	
2451	F&B Gratuities	23,529.70	
2500	Accrued Electricity	53,401.64	
2610	Accrued Interest	3,852,695.00	
2618	Accrued Other	189,588.52	
2630	Accrued Property Taxes	1,086,350.72	
2730	Gift Shop AP	2,387.76	
	Total Current Liabilities	2,007.70	16,551,964.98
Long Term Liabil			10,001,004.00
2807	Long Term Loan	108,355,132.52	
2808	Long Term Mezz Loan	24,545,813.00	
2809	Long Term Wachovia Op Res	4,202,845.36	
	Total Long Term Liabilities	, ,	137,103,790.88
Equity		•	
2900	Retained Earnings Prior Year	(19,796,244.42)	·
2901	Capital	22,674,845.79	
2905	Retained Earnings Current Year	(4,163,079.79)	•
•	Total Equity	, , , , , , , , , , , , , , , , , , ,	(1,284,478.42)
			4

Total Liabilities

152,371,277.44

CONFIDENTIAL RP 011246

	The second secon		· · · .	· · · · · · · · · · · · · · · · · · ·
	Davel Date			
	Royal Palm			The second secon
	Balance Shee		and the second of the second	
	Sep-07	t en		
Ass	ets:			
: ::	the same of the sa			
Cui	rent Assets			The same of the sa
	······································			
1000	House Banks			
1006	Wachovia Lock Box	55,000.00		
1007	Tax Escrow Account	26,312.21	get	
1011	Operating Reserve	668,772.37 6.94		The second of th
1017	Insurance Escrow ACC	26,322.14		
1021	Capital Reserve Escrow	89,770.78		
1023	Capex Reserve Renovation	1,316,119.22	1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1	
1024	Senior Interest Reserve	32.48		
1055	Regions Lock Box 890	8,732.89	and the second s	
1071 1072	Regions Operating 838	(98,677.76)		
1072	Regions Payroll 629	(46,999.67)		
	Total Current Assets		2,045,391.60	
Acco	ounts Receivable	Karaman K		
	Anna Madel Ambie	Land Samuel Co	in the second of	·
1100	City Ledger	291,896.03		The second secon
1108	Guest Ledger	136,597.31		and the second s
1120	Employee Advances	500.00		and the first of the second second
1124	Travel Advances	600.00		and the second s
OAL	Total Accounts Receivable		429,593.34	i de de la compania del compania del compania de la compania del compania de la compania de la compania del compania de la compania de la compania de la compania del compan
Otr	er Receivables		en de la companya de La companya de la co	and the second second
1130	Breakwater A/R	and the second second	er Transfer	~~
1131	Hotel 71 A/R	122,599.35		
	Total Other Receivables	8,526.57	and a second and	
Inven	tories		131,125.92	Carl A property
	The second se	garage and grade and gr		
1200	Food Inventory	6,574.75		and the second second
:1203	Liquor Inventory	11,968.85		and the second second
1215	Honor Bar Inventory	25,890.19		
Reser	Total Inventories	production of the second	44,433.79	
::1303	Reserve Rooms Linen			
	Tota Reserves	229,605.73	A Section of the sect	and the second of the second
Prepa	ids		229,605.73	and the same
1400	Prepaid Advertising	3,044.62	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	
1406	Prepaid Dues & Subscriptions	5,044.62 6,963.00	and the second second	
1409	Prepaid Insurance	505,787.47		
1418	Prepaid Maintenance Contracts	14,899.68		Carlotte Comment
1433	Prepaid Real Estate Tax	143,297.77		Part of Particular
	Total Prepaids		673,992.54	
	Assets		, · ,	
1705 1801	Deposits	143,472.19		
. 1001	Building	136,050,413.77		

1805	Current Year Additions/FF&E 7,870.	
1815	Construction in Progress 9,962,466.	
1855	Loan Closing Cost 9,962,466.	
1860		·
1000	Interest Rate Cap Costs 129,200. Total Other Assets	
	Total Other Assets	147,810,274.35
	TEXTS NO. 12.	X <u> </u>
	Total Assets	151,364,417.27
Liabilities	and the control of t	
		e de la companya del companya de la companya del companya de la co
Current Liabilities	s / / / / / . / . / . / . / . / . / . / . / . /	
2000	A/P Trade 3,102,130.	61
2002	A/P Other 17,816.	
2009	Mitchell Hotel Group, LLC 4,671,583.	
2011	A/P Claims 412,368.	
2012	Falor / MSD Group 13,923	
.013 <u>- </u>	Affiliates AP 2005 383,534.	
200	Advance Deposits 463,247.	
300	Travel & Tour Assessment 57,889.	
305	Occupancy Tax 56,945.	
315	Sales Tax 252,860.	
316	Phone Tax 1,381.	
400	Federal Income Tax 367,566.	
403	FICA - Employee 230,672.	
409	Federal Unemployment Insurance 6,470.6	
412	FICA - Employer 230,672.:	
415	State Unemployment Insurance 19,913.	
430	Accrued Incentive 29,816.0	
433	Accrued Payroll 96,445.4	
436	Accrued Vacation 100,845.9	
442	Banquet Service Charge 17,185.8	
445	Bell Gratuities 462.0	
451	F&B Gratuities 24,531.3	
500	Accrued Electricity 249,866.6	
610	Accrued Interest 3,852,695.0	
618	Accrued Other 128,953.8	
630	Accrued Property Taxes 1,206,350.7	
690	Accured Mortgage Interest 910,091.9	
730	Gift Shop AP	
	Total Current Liabilities	16,907,755.00
Long Term Liabili		10,907,733.00
807	Long Term Loan 108,355,132.5	
808	Long Term Mezz Loan 24,545,813.0	
809	Long Term Wachovia Op Res 4,202,845.3	
009		
Equity	Total Long Term Liabilities	137,103,790.88
	Eddings Earnings Drive V	
900	Retained Earnings Prior Year (20,623,848.6	
901 905	Capital 23,502,450.0	
905	Retained Earnings Current Year (5,525,730.0	
	Total Equity	(2,647,128.61)

CONFIDENTIAL RP 007534

:				The state of the s
				the company of the co
		Royal Pal	m Hotel	
: . : :		Balance Sh		The state of the s
	• • • • • • • • • • • • • • • • • • • •		υ γ	
Ass	ets	man and a second	والمراوي والمتأمل أمم مميلا والمن	
::			and the second of the second	
Cu	rrent Assets	er ann ann an ann ann ann an an an an an a	and the second	
11111:	. ••	and a second and the		**************************************
1000	ti en la proposición de la proposición	House Banks	55,000.00	
1006		Wachovia Lock Box	7,044.13	
1007		Tax Escrow Account	788,119.36	
1011		Operating Reserve	6.94	·
1017	The second	Insurance Escrow ACC	26,322.14	er e
1021		Capital Reserve Escrow		
1023			89,827.37	
• •		Capex Reserve Renovation	756,798.43	The state of the s
1024		Senior Interest Reserve	32.50	
1055		Regions Lock Box 890	1,988.70	
1071		Regions Operating 838	(154,352.24)	
1072		Regions Payroll 629	12,731.31	A Committee of the comm
		Total Current Assets		1,583,518.64
			and the same of the same of	and the same and t
Acc	ounts Receivabl	le ·		
	•		and from the process of the	and the second of the second o
1100		City Ledger	318,250.10	the state of the s
1108	The second secon	Guest Ledger	229,843.82	to the second contract
1120		Employee Advances	400.00	والمستسبب والمراكب والمراكب والمراكب
1124		Travel Advances	600.00	
		Total Accounts Receivable	300.00	549,093.92
Off	her Receivables	I OWI / GOODINES / GOODINES		343,053.52
	ici i(cocivabies	1000	and the second of the second o	Company of the second s
1130		Breakwater A/R	100 ETO DE	and the second s
1131	·	Hotel 71 A/R	122,599.35	and the second s
1131			4,567.81	Chamber of the Control of the Contro
limatore	ntories	Total Other Receivables	State of the state	127,167.16
nive	intories	• •		
4000	of the second	e acceding to the control of the co	and the same of th	
1200	and the second	Food Inventory	12,186.99	
1203		Liquor Inventory	12,219.96	the state of the state of the state of
1215		Honor Bar Inventory	21,773.01	and the second of the second
		Total Inventories		46,179.96
Rese	rves		e de la companya de	
1303	,	Reserve Rooms Linen	229,605.73	
		Tota Reserves		229,605.73
Prep	aids			
1400	i.e.	Prepaid Advertising	1,903.37	
1406		Prepaid Dues & Subscriptions	4,642.00	
1409		Prepaid Insurance	809,820.22	
1418		Prepaid Maintenance Contracts	1,504.53	
1433		Prepaid Real Estate Tax	90,000.00	
		Total Prepaids	30,000.00	007 070 40
Othor	r Assets	i otat Fiebaius		907,870.12
	1 432419	Damasita	440 450	
1705		Deposits	143,472.19	
1801		Building	136,050,413.77	
1805		Current Year Additions/FF&E	(95,544.94)	
			•	

CONFIDENTIAL RP 011264

	· · · · · · · · · · · · · · · · · · ·		
1815	Construction in Progress	9,978,540.37	
1855	Loan Closing Cost	1,516,851.52	
1860	Interest Rate Cap Costs	129,200.00	
	Total Other Assets		:147,722,932.91
:	•	·	A. (1997)
	Total Assets		/151,166,368.44
Liabilities		المماسين أنجر	
Liabilities		/ / / / / / / / / / / / / / / / / / / /	an grand
Current Liabilities	an and the first the second of the second	/	and the second s
₋ Current Liabilities 2000	A/P Trade	2,236,983.96	A second
	A/P Other	4,316.53	
2002		4,341,583.53	and the formation of the first terms of the first terms of the first terms of the first terms of the first term of the first terms of the first te
2009	Mitchell Hotel Group, LLC	412,368.72	
2011	A/P Claims		
2012	Falor / MSD Group Affiliates AP 2005	13,923.20	
2013		383,534.00 642,560.44	(4) 部イス しょうしょく アニニ
2200	Advance Deposits	41,067.05	- 日 10日イ)
2205	Refunds		
2300	Travel & Tour Assessment	65,129.13 33,864.55	中部時代イルコメカイ イ
2305	Occupancy Tax		PERMIT OF A PROPERTY OF A SECOND OF A S
2315	Sales Tax	279,514.21 2,102.46	- 計画計画 イメンバスス たしん
2316	Phone Tax		. H. 1984 (1982 1977).
2400	Federal Income Tax	413,523.61	
2403	FICA - Employee	254,633.84	三田 とし コンススプメイプ
2409	Federal Unemployment Insurance	6,580.71 254,633.86	
2412	FICA - Employer	20,284.69	
2415	State Unemployment Insurance		
2430	Accrued Incentive	49,816.01 147,339.87	
2433	Accrued Payroll	•	
2436	Accrued Vacation	100,845.95 22,032.60	
2442	Banquet Service Charge	966.18	
2445	Bell Gratuities		
2451	F&B Gratuities	33,210.93 249,866.67	はただはに しょうけんれい
2500	Accrued Electricity	3,852,695.00	
2610	Accrued Interest		
2618	Accrued Other	136,541.59 1,326,350.72	
2630 2600	Accrued Property Taxes	1,838,936.24	
2690 2720	Accured Mortgage Interest	2,388.99	
2730	Gift Shop AP Total Current Liabilities	2,300,55	17,167,595.24
tana T ana Tenggia			. 11,101,393.24
Long Term Liabilitie		108,355,132.52	
2807	Long Term Loan	24,545,813.00	
2808	Long Term Mezz Loan Long Term Wachovia Op Res	4,202,845.36	
2809		4,202,040.00	127 103 700 88
- Line in the second	Total Long Term Liabilities		137,103,790.88
Equity	Botoinad Farnings Prior Voer	(20,623,848.62)	
2900	Retained Earnings Prior Year		
2901	Capital	23,502,450.01	
2905	Retained Earnings Current Year	(5,983,619.07)	72 4 DE D47 (20)
	Total Equity		(3,105,017.68)

RP 011265

752.27

903,655.61

90,000.00

143,472.19

136,050,413.77

Royal Palm Hotel Balance Sheet As Of Nov-07

Assets

Cu	rra	nŧ	Δ	cc	ets

1000	House Banks	55,000.00	
1006	Wachovia Lock Box	3,685.21	
1007	Tax Escrow Account	788,119.36	
1011	Operating Reserve	6.94	
1017	Insurance Escrow ACC	26,322.14	
1021	Capital Reserve Escrow	89,827.37	
1023	Capex Reserve Renovation	756,798.43	
1024	Senior Interest Reserve	32.50	
1055	Regions Lock Box 890	804.95	
1071	Regions Operating 838	(134,397.21)	
1072	Regions Payroll 629	2,809.40	
	Total Current Assets		1,589,009.09
Accounts Recei	vable		
,			•
1100	City Ledger	356,297.74	
1108	Guest Ledger	103,886.84	
1120	Employee Advances	153.94	
1124	Travel Advances	600.00	
	Total Accounts Receivable		460,938.52
Other Receival	oles		
1130	Other A/R	122,599.35	
. 100	Total Other Receivables	,,	122,599.35
Inventories		· · · ·	,
1000	Fand Inventors	40.74E 40	
1200	Food Inventory	16,745.19	
1203 1215	Liquor Inventory Honor Bar Inventory	11,676.67 17,757.99	
1215	Total Inventories	eķ. 161,11	46,179.85
Reserves	total inventories		40,118.00
1303	Reserve Rooms Linen	229,605.73	
1303	Tota Reserves	223,003.73	229,605.73
Prepaids	10001100		220,000.70
1400	Prepaid Advertising	762.12	
1406	Prepaid Dues & Subscriptions	2,321.00	
1409	Prepaid Insurance	809,820.22	
		777,777	

Prepaid Maintenance Contracts

Total Prepaids

Prepaid Real Estate Tax

Deposits

Building

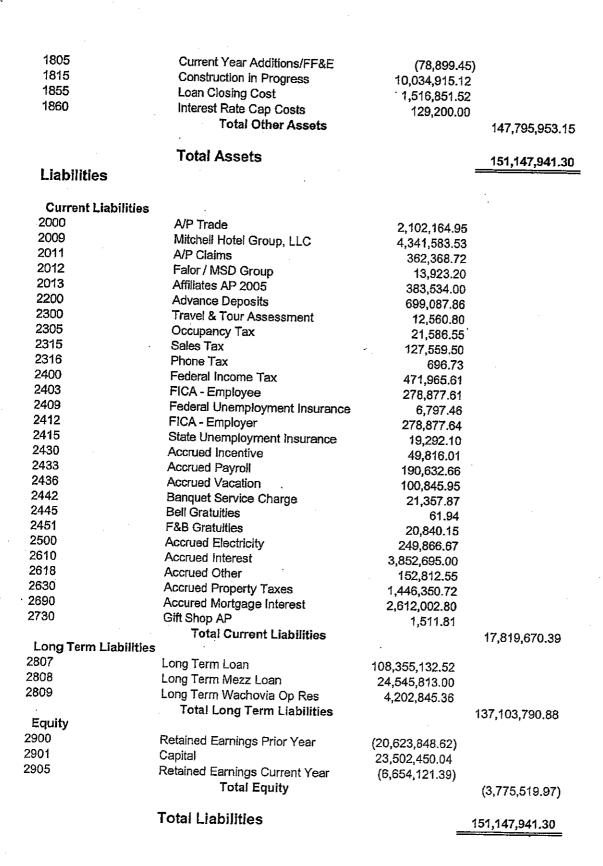
CONFIDENTIAL

1418

1433

1705 1801

Other Assets



Royal Palm Hotel Balance Sheet As Of Dec-07

Assets

Current Asse	ets		
1000	House Banks	EE 000 00	
1006	Wachovia Lock Box	55,000.00	
1007	Tax Escrow Account	3,685.99 815,042.04	
1011	Operating Reserve	6.94	
1017	Insurance Escrow ACC	26,322,14	
1021	Capital Reserve Escrow	89,864.90	
1023	Capex Reserve Renovation	758,380.24	
1024	Senior Interest Reserve	32.53	
1055	Regions Lock Box 890	27,458.95	•
1071	Regions Operating 838	289,834.00	
1072	Regions Payroll 629	4,718.64	· ·
	Total Current Assets	4,7 10.04	2,070,346.37
Accounts Rece	eivable		
1100	City Ledger	254 270 62	
1108	Guest Ledger	354,270.63 501,382.08	
1120	Employee Advances	400.00	
	Total Accounts Receivable	400.00	050 050 84
Other Receive	ibles		856,052.71
1130	Other A/R	122,599.35	•
•	Total Other Receivables	122,099.00	400 EDO OF
Inventories			122,599.35
1200	Food Inventory	14,497.53	
1203	Liquor Inventory	12,622.57	•
1215	Honor Bar Inventory	15,463.13	
•	Total Inventories	10,-100.10	42,583.23
Reserves			42,003.23
1303	Reserve Rooms Linen	229,605,73	
	Tota Reserves	0,000.70	229,605.73
Prepaids			229,000.73
1409	Prepaid Insurance	355,346.14	
1418	Prepaid Maintenance Contracts	10,642.84	
	Total Prepaids	10,012.04	365,988,98
Other Assets		•	303,806.90
1705	Deposits	159,015.20	
1801	Building	136,050,413.77	
1805	Current Year Additions/FF&E	(78,899.45)	
1815	Construction in Progress	10,447,531.33	
1855	Loan Closing Cost	1,516,851.52	
1860	Interest Rate Can Costs	1,010,001.02	•

129,200.00

Interest Rate Cap Costs

Total Other Assets

	Total Assets		151,911,288.74
Liabilities			
		,	
Current Liabilities			
2000	A/P Trade	2,100,693.53	
2009	Mitchell Hotel Group, LLC	4,391,583.53	
2011	A/P Claims	660,503.60	
2012	Falor / MSD Group	13,923.20	
2013	Affiliates AP 2005	383,534.00	
2200	Advance Deposits	691,480.84	
2300	Travel & Tour Assessment	62,002.96	
2305	Occupancy Tax	65,193.84	
2315	Sales Tax	156,361.92	
2316	Phone Tax	1,708.38	
2400	Federal Income Tax	517,963.91	
2403	FICA - Employee	304,012.75	
2409	Federal Unemployment Insurance	7,014.11	
2412	FICA - Employer	304,012.77	•
2415	State Unemployment Insurance	18,300.94	
2433	Accrued Payroll	236,622.30	•
2436	Accrued Vacation	120,617.03	
2442	Banquet Service Charge,	27,203.56	
2451	F&B Gratuities	25,048.54	
2500	Accrued Electricity	199,866.67	
2610	Accrued Interest	3,852,695.00	
2618	Accrued Other	73,856.26	
2630	Accrued Property Taxes	1,732,703.04	
2690	Accured Mortgage Interest	3,449,702.35	
	Total Current Liabilities		19,396,605.03
Long Term Liabilities		•	,
2807	Long Term Loan	108,355,132.52	
2808	Long Term Mezz Loan	24,545,813.00	
2809	Long Term Wachovia Op Res	4,202,845.36	•
	Total Long Term Liabilities		137,103,790.88
Equity	•		,
2900	Retained Earnings Prior Year	(20,644,994.20)	
2901	Capital	23,502,450.04	
2905	Retained Earnings Current Year	(7,446,563.01)	
· · · · · · ·	Total Equity	(,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	(4,589,107.17)
	Total Liabilities		151,911,288.74
	·	=	

CONFIDENTIAL RP 005137

Royal Palm Hotel Balance Sheet As Of Feb-08

Assets

Current Assets			
1000	House Banks	55,000.00	
1008	Wachovia Lock Box	814,710.03	
1007	Tax Escrow Account	815,042.04	
1011	Operating Reserve	6.94	
1017	Insurance Escrow ACC	26,322.14	
1021	Capital Reserve Escrow	89,883.98	
1023	Capex Reserve Renovation	759,185.31	
1024	Senior Interest Reserve	32.53	
1055	Regions Lock Box 890	61,000.00	
1071	Regions Operating 838	315,006.76	
1072	Regions Payroll 629	11,359.47	
	Total Current Assets		2,947,549.20
Accounts Receivable	e .		
1100	City Ledger	685,893.85	
1108	Guest Ledger	228,328.48	
1120	Employee Advances	30.00	
	Total Accounts Receivable		914,252.33
Other Receivables			
1130	Breakwater A/R	122,599.35	
	Total Other Receivables	-	122,599.35
Inventories			
1200	Food Inventory	15,835.89	
1203	Liquor Inventory	17,382.53	
1215	Honor Bar Inventory	9,412.98	
_	Total Inventories		42,631.40
Reserves			
1303	Reserve Rooms Linen Tota Reserves	229,605.73	229,605.73
Prepaids	1014 116361763		220,000.70
1409	Prepaid Insurance	21,636.00	
1418	Prepaid Maintenance Contracts	913.08	
	Total Prepalds		22,549.08
Other Assets	•		•
1705	Deposits	166,315.20	
1801	Building	136,050,413.77	
1805	Current Year Additions/FF&E	(78,899.45)	
1815	Construction in Progress	10,541,091.10	
1855	Loan Closing Cost	1,516,851.52	
1860	Interest Rate Cap Costs	129,200.00	

Total Other Assets

CONFIDENTIAL RP 001462

148,324,972.14

	Total Assets		152,604,159.23
Liabilities	•		
Current Liabilities			
2000	A/P Trade	1,423,472.88	
2009	Mitchell Hotel Group, LLC	4,089,906.53	
2011	A/P Claims	383,347.59	
2012	Falor / MSD Group	13,923.20	
2013	Affiliates AP 2005	383,534.00	
2200	Advance Deposits	780,661.99	
2300	Travel & Tour Assessment	66,028,67	
2305	Occupancy Tax	62,912.03	
2315	Sales Tax	107,314.97	•
2316	Phone Tax	843.01	
2400	Federal Income Tax	334,031.35	
2403	FICA - Employee	77,090.24	
2409	Federal Unemployment Insurance	15,670.83	
2412	FICA - Employer	364,532.15	
2415	State Unemployment Insurance	14,703.83	
2433	Accrued Payroll	154,257.11	
2436	Accrued Vacation	120,617.03	
2442	Banquet Service Charge	42,335.52	
2445	Bell Gratuities	802.57	
2451	F&B Gratuities	29,580,45	
2500	Accrued Electricity	199,866.67	
2610	Accrued Interest	3,852,695,00	
2618	Accrued Other	169,162.20	
2630	Accrued Property Taxes	2,027,871.04	
2690	Accured Mortgage Interest	5,140,700.27	
2730	Gift Shop AP	2,758.40	
2735	Beach Rental AP	40.00	
	Total Current Liabilities		19,858,659.53
Long Term Liabilities	5		,
2807	Long Term Loan	108,355,132,52	
2808	Long Term Mezz Loan	24,545,813.00	•
2809	Long Term Wachovia Op Res	4,202,845.36	
	Total Long Term Liabilities	,,-	137,103,790.88
Equity			, , , , , , , , , , , , , , , , , , , ,
2900	Retained Earnings Prior Year	(28,086,314,96)	
2901	Capital	23,502,450.04	
2905	Retained Earnings Current Year	225,573.74	
· ·	Total Equity	•	(4,358,291.18)
•	Total Liabilities		
	i oldi Liabiiilles	=	152,604,159.23

CONFIDENTIAL RP 001463

Royal Palm Hotel Balance Sheet As Of Mar-08

Assets

Cu	rrent	Assets

1000	House Banks	EE 000 00
1006	Wachovia Lock Box	55,000.00
1007		536,576.83
1011	Tax Escrow Account	815,042.04
	Operating Reserve	6.94
1017	Insurance Escrow ACC	26,322.14
1021	Capital Reserve Escrow	89,935.21
1023	Capex Reserve Renovation	
1024	Senior Interest Reserve	760,534.72
1055	Regions Lock Box 890	32.55
1071		14,462.99
1072	Regions Operating 838	(264,203.91)
1012	Regions Payroli 629	(79,247.26)
	Total Current Assets	(, , , , , , , , , , , , , , , , , , ,

1,954,462.25

Accounts Rec	eivable		
1100	City Ledger	884,548,47	
1108	Guest Ledger	•	
1120	Employee Advances	167,005.64 20.00	
	Total Accounts Receivable	20.00	4.054.574.44
Other Receiv	rables		1,051,574.11
1130	Other A/R	122,599.35	•
	Total Other Receivables	122,088.00	400 F00 om
Inventories			122,599.35
1200	Food inventory		
1203	Liquor Inventory	12,258.66	
1215	Honor Bar Inventory	13,394.64	
	Total Inventories	5,602.72	
Reserves	· otal myentolles		31,256.02
1303	Reserve Rooms Linen	229,605.73	
	Tota Reserves	220,000.73	200 005 70
Prepaids			229,605.73
1409	Prepaid Insurance	107 607 40	
1418	Prepaid Maintenance Contracts	197,607.10	
	Total Prepaids	7,489.29	
Other Assets	· · · · · · · · · · · · · · · · · · ·		205,096.39

1705 Deposits 166,315.20 1801 Building 136,050,413.77 1805 Current Year Additions/FF&E (78,899.45)1815 Construction in Progress 10,619,368.30 1855 Loan Closing Cost 1,516,851.52 1860 Interest Rate Cap Costs 129,200.00

	Total Other Assets		14 8 ,403,249.3	4
•			11-1,1-1,2 10,0	•
	Total Assets	•	151,997,843.19)
Liabilities				
Command Linkston				
Current Liabilitie	_			
2000	A/P Trade	1,629,793.36		
	Mitchell Hotel Group, LLC	3,004,906.53		
2011	A/P Claims	310,505.59		
2012	Falor / MSD Group	13,923.20	•	
2013	Affillates AP 2005	383,534.00		
2200	Advance Deposits	651,738.75		
2300	Travel & Tour Assessment	83,233,65		
2305	Occupancy Tax	75,536,09		
2315	Sales Tax	153,785.18		
2316	Phone Tax	(376.42)		
2400	Federal Income Tax	44,559.71		
2403	FICA - Employee	106,637,46		
2409	Federal Unemployment Insurance	17,513,93		
2412	FICA - Employer	64,400.47		÷ ,,
2415 .	State Unemployment Insurance	20,924.28		
2433	Accrued Payroll	207,871.19		
2436	Accrued Vacation	120,617.03		
2442	Banquet Service Charge			
2445	Bell Gratuities	44,897.31		
2451	F&B Gratuities	1,026,36		
2500	Accrued Electricity	42,531.61		
2610	Accrued Interest	199,866.67		
2618	Accrued Other	3,852,695.00		
2630	Accrued Property Taxes	103,408.18		
2690	Accured Mortgage Interest	2,179,871.04		
2730	Gift Shop AP	4,861,895.20	•	
	Total Current Liabilities	3,867.47		
Long Term Liabilitis	rotal Guitelit Liabilities	• •	18,179,162.84	•
2807	Long Term Loan	400 000 100 00		
2808	Long Term Mezz Loan	108,355,132.52		
2809	Long Term Wachovia Op Res	24,545,813.00		
	Total Long Town Linking	4,202,845.36		
Equity	Total Long Term Liabilities		137,103,790.88	
2900	Poteined Franke, D.J. M.			
2901	Retained Earnings Prior Year	(28,086,314.96)		
2905	Capital	23,502,450.04		
2000	Retained Earnings Current Year	1,298,754.39		
	Total Equity	•	(3,285,110.53)	•
	PM 4 F 4 N 4 844.4		•	
	Total Liabilities		151,997,843.19	
				

Exhibit 3



South Beach 1601 Washington Ave Miami Beach, FL 33139



0001373301AV 0.312001 ROYAL PALM HOTEL PROPERTY, LLC 1545 COLLINS AVE MIAMI BEACH FL 33139-3110



8310808590

Cycle 27
Enclosures 3
Page 1 of 3

FREE BUSINESS CHECKING

February 1, 2008 through February 29, 2008

Beginning Balance \$827,157.41 Minimum Balance Deposits & Credits \$957,930.35 + Withdrawals \$1,724,087.76 - Fees \$0.00 - Automatic Transfers \$0.00 + Checks \$0.00 - Ending Balance \$61,000.00 -			SUM	MAFY			
Withdrawals \$1,724,087.76 Fees \$0.00 Automatic Transfers \$0.00 Checks \$0.00		\$827,157.41		Minimum Balance		٠.,	\$61,000
Fees \$0.00 - Automatic Transfers \$0.00 + Checks \$0.00 -	s & Credits	\$957,930.35	+			٠.	
Automatic Transfers \$0.00 + Checks \$0.00 -	wals	\$1,724,087,76	_	•			
Checks \$0.00 -	• • • • •	\$0.00	_	· .			•
	tic Transfers	\$0.00	÷				
Ending Balance \$61,000.00		\$0.00	-				
	Balance	\$61,000,00					
				•	-		· .

Deposits & Gredits

02/01	American Express Settlement Royal Palm H40 4095460606		46.524.76
02/04	American Express Settlement Royal Palm H40 4095460606		116,121,82
02/04	American Express Settlement Royal Paim H40 4095460606	•	•
	American Express Settlement Devel Delta 1449 4095400000	•	12,309.66
02/07	American Express Settlement Royal Palm H40 4095460606		69,930.09
02/08	American Express Settlement Royal Palm H40 4095460606		12,108,41
02/11	American Express Settlement Royal Palm H40 4095460606		56,761.16
02/11	American Express Settlement Royal Palm H40 4095460606		24,520,54
02/14	American Express Settlement Royal Palm H40 4095460606	•	32,809,77
02/15	American Express Settlement Royal Palm H40 4095460606		16,757.08
02/19	American Express Settlement Royal Palm H40 4095460606		67,220.67
02/19	American Express Settlement Royal Palm H40 4095460606		6,360.70
02/20		•	
	American Express Settlement Royal Palm H40 4095460606	Control of the contro	165.00
02/21	American Express Settlement Royal Palm H40 4095460606	and the second s	189,579.43
02/22	American Express Settlement Royal Palm H40 4095460606	•	66,278,58
02/25	American Express Settlement Royal Palm H40 4095460606		63,066,42
02/25	American Express Settlement Royal Palm H40 4095460606	•	46,046,63
02/28	American Express Settlement Royal Palm H40 4095460606		71,651.05
02/29			
02/28	American Express Settlement Royal Palm H40 4095460606	·	59,718.58
			

Total Deposits & Credits

\$957,930.35

	EHI		

02/08	EB to Checking # 8310551638 Ref# 000000 5089689	764,000,00
02/12	Bank Debit	100,000.00
02/13	Bank Debit	201,677.00
02/26	Bank Debit	36,421.00
02/26	American Express Collection Royal Palm H40 4095460606	56.50
02/29	EB to Checking # 8310551638 Ref# 000000 5746840	532,933.26
02/29	EB to Checking # 8310551646 Ref# 000000 5746904	89,000,00
		. •

Total Withdrawals

\$1,724,087.76



South Beach 1601 Washington Ave Miami Beach, FL 33139



ROYAL PALM HOTEL PROPERTY, LLC 1545 COLLINS AVE MIAMI BEACH FL 33139-3110

ACCOUNT #

8310808590

 Cycle
 27

 Enclosures
 3

 Page
 2 of 3

		DAILY BALAI	NCE SUMMARY		
Date	Balance	Date	Balance	Date	Balance
02/01 02/04 02/07 02/08 02/11 02/12	873,682.17 1,002,113.65 1,072,043.74 320,152.15 401,433.85 301,433.85	02/13 02/14 02/15 02/19 02/20 02/21	99,756.85 132,566.62 149,323.70 222,905.07 223,070.07 412,649.50	02/22 02/25 02/26 02/28 02/29	478,928.08 588,041.13 551,563.63 623,214.68 61,000.00

You may request account disclosures containing terms, fees, and rate information (if applicable) for your account by contacting any Regions office.



South Beach 1601 Washington Ave Miami Beach, FL 33139



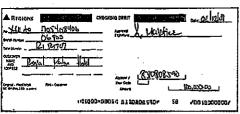
ROYAL PALM HOTEL PROPERTY, LLC 1545 COLLINS AVE MIAMI BEACH FL 33139-3110

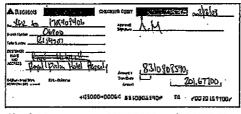
ACCOUNT #

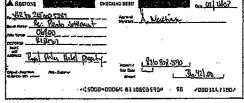
8310808590

Page

3 of 3







Check# 0

02/12/2008

\$100000.00

Check# 0

02/13/2008

\$201677.00

00 Check# 0

02/26/2008

\$36421.00



South Beach 1601 Washington Ave Miami Beach, FL 33139



ACCOUNT #

8310808590

Cycle Enclosures Page

FREE BUSINESS CHECKING

March 1, 2008 through March 31, 2008

		SUMMARY	
Beginning Balance Deposits & Credits Withdrawals Fees Automatic Transfers Checks Ending Balance	\$61,000.00 \$1,099,469.34 \$1,146,006.35 \$0.00 \$0.00 \$14,462.99	Minimum Balance + - +	\$14,462

DEPOSITION OF BOILD

03/31 EB From Checking # 8310551646 Ref# 000000 6785939 100,00
Total Deposits & Credits \$1,099,46

WITHDHAWALS

03/04	American Express Collection Royal Palm H40 4095460606			 1.006.35
03/05	Bank Debit	-	•	 80,000.00
03/13	Bank Debit		•	200,000.00
03/13	EB to Checking # 8310551646 Ref# 000000 6211961			60,000,00
03/24	Bank Debit			100,000.00
03/26	Bank Debit			495,000.00
03/28	Bank Debit			50,000.00



South Beach 1601 Washington Ave Miami Beach, FL 33139



ROYAL PALM HOTEL PROPERTY, LLC 1545 COLLINS AVE MIAMI BEACH FL 33139-3110

ACCOUNT #

8310808590

Cycle Enclosures Page

WITHDRAWALS (CONTINUED)

03/31

Bank Debit

160,000.00

Total Withdrawals

\$1,146,006.35

			are zommulen.		
Date	Balance	Date	Balance	Date	Balance
03/03 03/04 03/05	144,594.43 143,588.08 163,588.08	03/13 03/14 03/17	69,255.12 82,368.22 159,270,91	03/25 03/26 03/27	517,021.13 22,021.13 57,159.57
03/06 03/07 03/10	193,610.13 217,336.26 293,742.64	03/20 03/21 03/24	215,527.14 237,384.55 217,021,13	03/28 03/31	21,226.97 14,462.99

YOU COULD WIN A TRIP FROM VISA TO THE BEIJING 2008 OLYMPIC GAMES. SIGN FOR PURCHASES WITH YOUR VISA CHECK CARD FROM REGIONS BANK BETWEEN MARCH 1 AND APRIL 30, 2008 AND YOU'LL BE AUTOMATICALLY ENTERED FOR A CHANCE TO WIN. NO PURCHASE OR OBLIGATION NECESSARY TO ENTER OR WIN. FOR MORE DETAILS, CALL 1-800-REGIONS OR STOP BY YOUR NEAREST REGIONS BRANCH.

For all your banking needs, please call 1-800-REGIONS. or visit us on the Internet at www.regions.com.

Thank You For Banking With Regions!



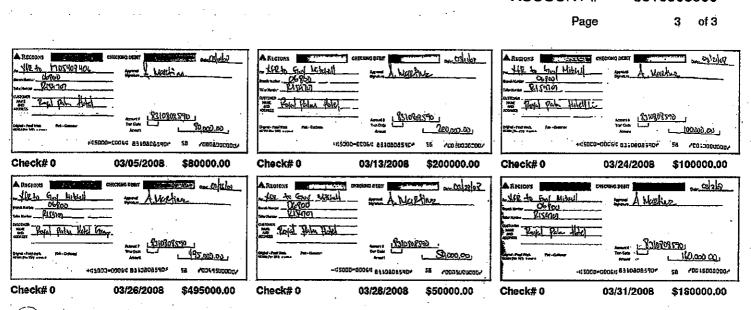
South Beach 1601 Washington Ave Miami Beach, FL 33139



ROYAL PALM HOTEL PROPERTY, LLC 1545 COLLINS AVE MIAMI BEACH FL 33139-3110

ACCOUNT #

8310808590





South Beach 1601 Washington Ave Miami Beach, FL 33139



ીનીમનીમનીનાસિતીનોમનીમનીમનીસિસ્તાનીસીસો**ના**સી 0001373001AV 0.312001 ROYAL PALM HOTEL PROPERTY, LLC 1545 COLLINS AVE MIAMI BEACH FL 33139-3110

ACCOUNT #

8310808590

Cycle **Enclosures** Page

FREE BUSINESS CHECKING

April 1, 2008 through April 30, 2008

SUMMARY

Beginning Balance Deposits & Credits \$14,462.99 \$1,839,477.67 Withdrawals \$1,473,816.91 Fees \$19.00 **Automatic Transfers** \$0.00 Checks \$0.00 **Ending Balance** \$380,104.75

Minimum Balance \$78,624-

DEPOSITS & CREDITS

04/01	EB From Checking # 8310551638 Ref# 000000 6834314			150,000.00
04/03	American Express Settlement Royal Palm H40 4095460606		•	51,565.45
04/04	American Express Settlement Royal Palm H40 4095460606		* ·	31,510.08
04/04	EB From Checking # 8310551638 Ref# 000000 6987464	-		130,000.00
04/07	American Express Settlement Royal Palm H40 4095460606			24,153.86
04/07	American Express Settlement Royal Palm H40 4095460606			11,317.56
04/07	EB From Checking # 8310551638 Ref# 000000 7053996			300,000.00
04/08	EB From Checking # 8310551638 Ref# 000000 7115352	•		100,000.00
04/09	EB From Checking # 8310551638 Ref# 000000 7144421			130,000.00
04/10	American Express Settlement Royal Palm H40 4095460606			33,365.41
04/10	EB From Checking # 8310551638 Ref# 000000 7167747			100,000.00
04/11	American Express Settlement Royal Palm H40 4095460606		. ,	20,129,66
04/14	American Express Settlement Royal Palm H40 4095460606			24,683.33
04/14	American Express Settlement Royal Palm H40 4095460606			11,083.42
04/14	EB From Checking # 8310551638 Ref# 000000 7288317			23,000,00
04/15	EB From Checking # 8310551638 Ref# 000000 7349432			100,000.00
04/17	American Express Settlement Royal Palm H40 4095460606			32,623.67
04/17	EB From Checking # 8310551638 Ref# 000000 7435908			30,000.00
04/18	Deposit - Thank You		•	21,022.52
04/18	American Express Settlement Royal Palm H40 4095460606			29,665.77
04/18	EB From Checking # 8310551638 Ref# 000000 7459230			40,000.00
04/21	American Express Settlement Royal Palm H40 4095460606			35,397.68
04/21	American Express Settlement Royal Palm H40 4095460606			34,373.66
04/22	EB From Checking # 8310551638 Ref# 000000 7580518			50,000.00
04/23	EB From Checking # 8310551638 Ref# 000000 7612614			80,000.00
04/24	American Express Settlement Royal Palm H40 4095460606			20,213.88
04/25	American Express Settlement Royal Palm H40 4095460606			29,294,64
04/25	EB From Checking # 8310551638 Ref# 000000 7675766			100,000.00
04/28	American Express Settlement Royal Palm H40 4095460606			34,967.01
04/28	American Express Settlement Royal Palm H40 4095460606	•		11,110.07
04/28	EB From Checking # 8310551638 Ref# 000000 7760520			50,000.00
,	22 1 1411 011001111g # 00 1000 1000 1100020			00,000,00

Total Deposits & Credits

\$1,839,477.67



South Beach 1601 Washington Ave Miami Beach, FL 33139



ROYAL PALM HOTEL PROPERTY, LLC 1545 COLLINS AVE MIAMI BEACH FL 33139-3110

	* i	ACCOUNT # Cycle Enclosures Page	8310808590 092 27 6 2 013
	WITHDRAWALS		
04/01	Bank Debit		150,000.00
04/02	EB to Checking # 8310551646 Ref# 000000 6891109		10,000.00
04/03	EB to Checking # 8310551646 Ref# 000000 6927841		15,000.00
04/04	Bank Debit		200,000.00
04/08 04/10	Bank Debit Bank Debit	•	230,000.00
04/10	Bank Debit	•	150,000.00
04/16	EB to Checking # 8310551638 Ref# 000000 7386952		100,000.00
04/18	Bank Debit		130,000.00
04/21	Wire Transfer Berger & Webb,		40,000.00
04/24	EB to Checking # 8310551646 Ref# 000000 7658302		20,000.00
04/29	American Express Collection Royal Palm H40 4095460606		816.91
04/30	EB to Checking # 8310551638 Ref# 000000 7835825		20,000.00
04/30	EB to Checking # 8310551646 Ref# 000000 7835844	•	8,000.00
		Total Withdrawais	\$1,473,816.91

		riya kata ka	EESSESSESSES		
04/21 W	ire Transfer			•	19.00
		DAILY BALAI	nce:Sümmariy		
Date	Balance	Date	Balance	Date	Balance
04/01	14,462.99	04/11	58,494.99=	04/23	183,336.06
04/02	4,462.99	04/14	271.76	04/24	183,549.94
04/03	41,028,44	04/15	100,271.76	04/25	312,844.58
04/04	2,538.52	04/16	271.76	04/28	408,921.66
04/07	338,009,94	04/17	62,895.43	04/29	408,104.75
04/08	38,009.94	04/18	23,583.72	04/30	380,104.75
04/09	168,009,94	04/21	53,336.06		
04/10	78.624.65-	04/22	103,336,06	•	ŕ

You may request account disclosures containing terms, fees, and rate information (if applicable) for your account by contacting any Regions office.

For all your banking needs, please call 1-800-REGIONS. or visit us on the internet at www.regions.com.

Thank You For Banking With Regions!



South Beach 1601 Washington Ave Miami Beach, FL 33139



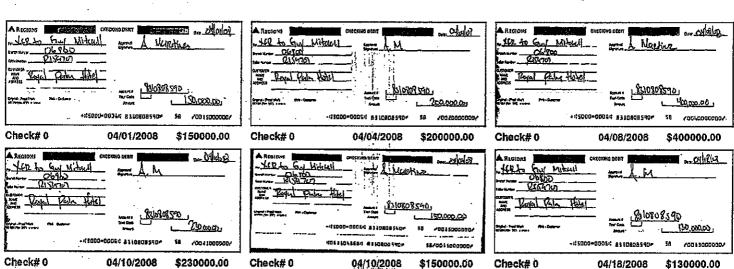
ROYAL PALM HOTEL PROPERTY, LLC 1545 COLLINS AVE MIAMI BEACH FL 33139-3110

ACCOUNT #

8310808590

Page

3 of 3





South Beach 1601 Washington Ave Miami Beach, FL 33139



0001321501AV 0.324001 ROYAL PALM HOTEL PROPERTY, LLC 1545 COLLINS AVE MIAMI BEACH FL 33139-3110

ACCOUNT #

8310808590

Cycle Enclosures Page 092 27 4

FREE BUSINESS CHECKING

May 1, 2008 through May 30, 2008

		SUI	MMARY	
Beginning Balance Deposits & Credits Withdrawals	\$380,104.75 \$947,406.83 \$1,322,000.00	·+	Minimum Balance	\$630
Fees Automatic Transfers Checks Ending Balance	\$38.00 \$0.00 \$0.00	+		
Citotig Balance	\$5,473.58			

DEPOSITS & CREDITS

05/01	American Express Settlement Royal Palm H40 4095460606	26,886.79
05/01	EB From Checking # 8310551638 Ref# 000000 7881287	150,000.00
05/02	American Express Settlement Royal Palm H40 4095460606	8,356.67
05/05	American Express Settlement Royal Palm H40 4095460606	29,821.60
05/05	American Express Settlement Royal Palm H40 4095460606	15,825.19
05/06	EB From Checking # 8310551638 Ref# 000000 8108852	50,000.00
05/07	EB From Checking # 8310551638 Ref# 000000 8131145	50,000.00
05/08	American Express Settlement Royal Palm H40 4095460606	30,998.93
05/08	EB From Checking # 8310551638 Ref# 000000 8165552	50,000.00
05/09	American Express Settlement Royal Palm H40 4095460606	13,425.32
05/12	American Express Settlement Royal Palm H40 4095460606	62,458.65
05/12	American Express Settlement Royal Palm H40 4095460606	9,872.62
05/12	EB From Checking # 8310551638 Ref# 000000 8254508	80,000.00
05/12	EB From Checking # 8310551638 Ref# 000000 8286123	40,000.00
05/13	EB From Checking # 8310551638 Ref# 000000 8330997	40,000.00
05/15	American Express Settlement Royal Palm H40 4095460606	29,850.95
05/15	EB From Checking # 8310551638 Ref# 000000 8415137	25,000.00
05/16	American Express Settlement Royal Palm H40 4095460606	36,465,62
05/16	EB From Checking # 8310551638 Ref# 000000 8455998	75,000.00
05/19	American Express Settlement Royal Palm H40 4095460606	25,604.99
05/19	American Express Settlement Royal Palm H40 4095460606	10,412.34
05/20	EB From Checking # 8310551638 Ref# 000000 8582517	45,000.00
05/22	American Express Settlement Royal Palm H40 4095460606	9,459.94
05/23	American Express Settlement Royal Palm H40 4095460606	8,353.30
05/27	American Express Settlement Royal Palm H40 4095460606	11,110.83
05/27	American Express Settlement Royal Palm H40 4095460606	8,659.52
05/30	American Express Settlement Royal Palm H40 4095460606	4,843.57

Total Deposits & Credits

\$947,406.83



South Beach 1601 Washington Ave Miami Beach, FL 33139



ROYAL PALM HOTEL PROPERTY, LLC 1545 COLLINS AVE MIAMI BEACH FL 33139-3110

			•		٠.	ACCOUNT #	83108085	90
						Cycle Enclosures Page		992 27 4 of 3
			۱w	THORAW	ALS			
	05/02 05/08 05/09 05/13 05/13 05/20 05/27	Bank Debit Wire Transfer Patterson Belk Bank Debit Wire Transfer Patterson Belk Bank Debit Bank Debit Bank Debit EB to Checking # 8310551638 I EB to Checking # 8310551646 I	Ref# 000000	8776295			555,000.00 37,500.00 200,000.00 37,500.00 200,000.00 250,000.00 22,000.00 20,000.00	
						Total Withdrawals	\$1,322,000.00	•
	05/08 05/13	Wire Transfer Wire Transfer		FEES		Total Fees	19.00 19.00 \$38.00	
			DAILYBA	uanceis	SWIMMARNS			
- ~	Date	Balance	Date	:	Balance	Date	Balance	•
	05/01 05/02 05/05 05/06 05/07 05/08	556,991.54 10,348.21 55,995.00 105,995.00 155,995.00 199,474.93	05/09 05/12 05/13 05/15 05/16 05/19	The state of the s	12,900.25 205,231.52 7,712.52 62,563.47 174,029.09 210,046.42	05/20 05/22 05/23 05/27 05/30	5,046.42 14,506.36 22,859.66 630.01 5,473.58	

You may request account disclosures containing terms, fees, and rate information (if applicable) for your account by contacting any Regions office.

For all your banking needs, please call 1-800-REGIONS. or visit us on the Internet at www.regions.com.

Thank You For Banking With Regions!



South Beach 1601 Washington Ave Miami Beach, FL 33139



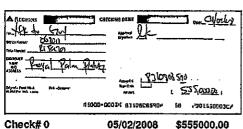
ROYAL PALM HOTEL PROPERTY, LLC 1545 COLLINS AVE MIAMI BEACH FL 33139-3110

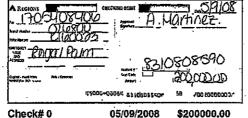
ACCOUNT #

8310808590

Page

3 of 3









Check# 0

\$250000.00

PSIDTE rech Solson dens

Exhibit 4

Transfers from the Regions Bank Account for Royal Palm Hotel Property, LLC to Guy Mitchell, April - May 2008

Transfer Request Date	Named Recipient	Amount
04/01/2008	"Guy Mitchell"	150,000
04/04/2008	"Guy Mitchell"	200,000
04/08/2008	"Guy Mitchell"	400,000
04/10/2008	"Guy Mitchell"	230,000
04/10/2008	"Guy Mitchell"	150,000
04/18/2008	"Guy Mitchell"	130,000
05/02/2008	"Guy"	555,000
05/09/2008	"1705408406"	200,000
05/13/2008	"Guy Mitchell"	200,000
05/20/2008	"0077606434"	250,000
Cotal		2,465,000

Exhibit 5



Domestic Wire Transfer Request/Authorization

UY MITCHELL		FLDLM EX01012009 IS	01012003
		Customer Identification	
4 TAHITI BEACH ISLAND RD	<u> </u>	Checking	01/01/1969
· ·		Account Type	Date of Birth 261375714
IIAMI, FL 33256-5335		1705408406 Account Number	Z 61373714 Tex Identification Number
		ACCOUNT NUMBER	I SX (GRADINGS) (ADMINE)
ansfer Instructions:	<u> </u>		
\$1,335,000.00 ire Amount	·		
SBC BANK USA	BUFFALC). NY	021001088
rget Bank Name	Terget Bank C		Target Bank ABA
neficiary Bank Name			
CCABE & MACK LLP	Beneficiary Ba	unk City, State	Beneficiary Bank Account Number
moficiary's Name	Beneficiary's /	Address	080787235 Beneficiery's Account Number
		EPSI,NY 12345	• • •
		City, State, Zip, or Country	
Originator to Beneficiary Informat	ion (optional):	Bank to Bank Info	rmation (optional):
BENEFICIARY OF ALBERT RO	SENBLATT	<u> </u>	
ACCT # 10959-0001			
			
	· • • • • • • • • • • • • • • • • • • •		
		-	
ms and conditions of the Funds Tran	Pank to effect the Fu sfer Agreement set	forth on the reverse side there	of.
signing below, I authorize Regions B ms and conditions of the Funds Tran Authorized Signature	ank to effect the Fu sfer Agreement set	nds Transfer described on this forth on the reverse side there Bank Authorized Signs	of.
ms and conditions of the Funds Tran	ank to effect the Fu sfer Agreement set	forth on the reverse side there	of.
ms and conditions of the Funds Tran	lank to effect the Fu sfer Agreement set	forth on the reverse side there	of.
ms and conditions of the Funds Tran	sfer Agreement set	forth on the reverse side there	of.
ms and conditions of the Funds Tran Authorized Signature Name of Corporation/Partnership	sfer Agreement set	forth on the reverse side there	of.
ms and conditions of the Funds Tran Authorized Signature Name of Corporation/Partnership By: Signatory Representative Name (Printed)	sfer Agreement set	forth on the reverse side there	of.
ms and conditions of the Funds Tran Authorized Signature Name of Corporation/Partnership	sfer Agreement set	forth on the reverse side there	of.
ms and conditions of the Funds Tran Authorized Signature Name of Corporation/Partnership By: Signatory Representative Name (Printed)	sfer Agreement set	forth on the reverse side there	nture
ms and conditions of the Funds Tran Authorized Signature Name of Corporation/Partnership By: Signatory Representative Name (Printed)	sfer Agreement set	forth on the reverse side there	nture
ms and conditions of the Funds Tran Authorized Signature Name of Corporation/Partnership By: Signatory Representative Name (Printed)	sfer Agreement set	Forth on the reverse side there is a side that a side there is a side that a side there is a side that a side there is a side there is a side that a s	1262
ms and conditions of the Funds Tran Authorized Signature Name of Corporation/Partnership By: Signatory Representative Name (Printed)	sfer Agreement set	Forth on the reverse side there is a side that a side there is a side that a side there is a side that a side there is a side there is a side that a s	nture
ms and conditions of the Funds Tran withorized Signature lame of Corporation/Partnership by: Signatory Representative Name (Printed)	sfer Agreement set	Forth on the reverse side there is a side that a side there is a side that a side there is a side that a side there is a side there is a side that a s	vence Number: 1262

Form #52137xx Rev 04/2004

Distribution: Original - Customer 1st Copy - Branch